



# ***Daily Report***

---

## **China**

FBIS-CHI-95-100  
Wednesday  
24 May 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

# Daily Report

## China

FBIS-CHI-95-100

### CONTENTS

24 May 1995

NOTICE: An \* indicates material not disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

Further on Three-Nation Buddhist Conference .....	1
Opening Ceremony Reported [XINHUA] .....	1
Meeting Termed 'Fruitful' [XINHUA] .....	1
Jiang Meets Leading Buddhists [XINHUA] .....	1
Thai Minister Surin To Attend Drug Talks [XINHUA] .....	2
'No Progress' in U.S.-DPRK Reactor Talks [Beijing International] .....	2
U.S.-Russian Summit Called 'Totally Fruitless' [RENMIN RIBAO OVERSEAS EDITION 18 May] .....	2
Russia, Iran Continue Peaceful Nuclear Ties [XINHUA] .....	3
Japan Gas Attacks, U.S. Bombings Viewed [RENMIN RIBAO 4 May] .....	4
Song Jian at UN Environment Program Meeting [XINHUA] .....	4

##### United States & Canada

Further on Reaction to Li Teng-hui U.S. Visit .....	5
'Text' of CPPCC Statement [XINHUA] .....	5
Visit Termed U.S. Strategy 'Chip' [ZHONGGUO TONGXUN SHE] .....	6
Beijing 'Indignant' Over Visit [XINHUA] .....	6
Clinton Visit 'Probably' Canceled [Hong Kong LIEN HO PAO 24 May] .....	7
Relations Could 'Regress' [London FINANCIAL TIMES 24 May] .....	8
Editorial on Further Response [Hong Kong WEN WEI PO 24 May] .....	9
Councillor Song Jian Stresses IPR Protection [ZHONGGUO XINWEN SHE] .....	10
Li Guixian Arrives in Canada [XINHUA] .....	10

##### Central Eurasia

Economist Interviewed on Sino-Russian Cooperation [RENMIN RIBAO 21 Apr] .....	11
---	----

##### Northeast Asia

Report on Qiao Shi's Visit to Japan, ROK [XINHUA] .....	11
NPC Vice Chairman Meets Japanese Delegation [XINHUA] .....	14
Spokesman Expresses 'Regret' Over Aid Reduction [XINHUA] .....	14

##### Near East & South Asia

Trade With Iran Increases After 1994 Decline [CHINA DAILY 23 May] .....	14
'Roundup' on Israel Suspending Land Seizures [XINHUA] .....	15
Jiang Zemin Meets With Syrian Party Delegation [XINHUA] .....	16
Bangladeshi Official Praises China's Development [XINHUA] .....	16
Hu Jintao Meets With Pakistani Leaders .....	17
Hu, Party Head Meet [XINHUA] .....	17
Hu Speaks with Delegation [Islamabad International] .....	17

##### Sub-Saharan Africa



Zhu Rongji, Mauritian Official Sign Air Accord [XINHUA] .....	18
Chi Haotian Meets Namibian Defense Force Chief [XINHUA] .....	18
Wei Jianxing, South African Governor Discuss Ties [XINHUA] .....	18

### West Europe

Rong Yiren Meets Portuguese Justice Minister [XINHUA] .....	19
Jiang Zemin, Turkey's Demirel Sign Two Accords [XINHUA] .....	19
Wu Bangguo Meets British Financier 23 May [XINHUA] .....	20

### Latin America & Caribbean

NPC Vice Chairman Meets With Chilean Senator [XINHUA] .....	20
Reportage on Visit by Columbian Trade Minister .....	20
Meets Wu Bangguo [XINHUA] .....	20
Talks With Wu Yi [XINHUA] .....	20

## NATIONAL AFFAIRS

### Political & Social

Further Reportage on Dissident Activities .....	21
More on Jiang Qisheng Arrest [AFP] .....	21
Jiang Qisheng Rearrested 24 May [AFP] .....	21
Two More Detained 23 May [Hong Kong SOUTH CHINA MORNING POST 24 May] .....	21
Police Arrest 13th Dissident [AFP] .....	22
Beijing 'Considering' Long-Term Detentions [Hong Kong LIEN HO PAO 24 May] .....	23
Jailed Journalist Gao Yu on Press Freedom Award [Hong Kong HSIN PAO 21 Apr] .....	23
Article Lauds Imprisoned Mainland Journalist [Hong Kong HSIN PAO 27 Mar] .....	24
Jiang Zemin Inspects Eastern Region [XINHUA] .....	26
Qiao Shi Inspects Shaanxi Province 15-21 May [XINHUA] .....	27
Article Views Top-Level Meeting on Party Unity [Hong Kong CHENG MING 1 Mar] .....	28
Artists Mark Anniversary of Mao Culture Speech [XINHUA] .....	30
Experts Cited on Smoking-Related Harm to Society [XINHUA] .....	30

### Science & Technology

Song Jian Prefaces White Paper on S&T [XINHUA] .....	31
Wu Bangguo Inspects Gansu Nuclear Power Plant [ZHONGGUO XINWEN SHE] .....	31
'Successful' 'Plasma Discharge Test' Reported [XINHUA] .....	32
Investment Aimed at Protecting Ozone Layer [CHINA DAILY 22 May] .....	32
Computer Network To Link Nation's Medical Sector [XINHUA] .....	33
Scientific Studies of Antarctica Reported [XINHUA] .....	33
Commentator on Science as 'Primary Productive Force' [XINHUA] .....	33

### Military & Public Security

XINHUA Cancels Item on Ren Jianxin Donation to Soldier .....	34
Law on Reserve Service Officers [XINHUA] .....	35
*Article Views Information Superhighway, Military [GUOFANG 15 Feb] .....	41

## ECONOMIC AFFAIRS

### General

Communique on 1994 Labor Developments Issued [ <i>Beijing Radio</i> ] .....	45
Development of Personnel Markets Viewed [ <i>XINHUA</i> ] .....	45
Industrial Efficiency Remains Low [ <i>XINHUA</i> ] .....	46
Report Says High Economic Growth To Continue [ <i>XINHUA</i> ] .....	46
New Air Route Links Qinghai With Southwest [ <i>XINHUA</i> ] .....	47

#### Finance & Banking

Commercial Bank To Aid Non-State Enterprises [ <i>XINHUA</i> ] .....	47
*Academic Interviewed on Financial Reform [ <i>GAIGE 20 Mar</i> ] .....	47

#### Foreign Trade & Investment

*Official Reviews Sino-Japan Trade Relations [ <i>GUOJI MAOYI 6 Mar</i> ] .....	51
*Asian-Pacific Economic Cooperation Slows [ <i>GUOJI MAOYI WENTI 6 Feb</i> ] .....	53

#### Agriculture

Anhui Party Secretary on Grain Production [ <i>XINHUA</i> ] .....	56
*Anhui Cadres on Rural Policy Implementation [ <i>JINGJI CANKAO BAO 13 Apr</i> ] .....	57
*Hunan Announces New Grain Purchase Policy [ <i>HUNAN RIBAO 23 Mar</i> ] .....	58
Shandong Project To Increase Cotton Output [ <i>XINHUA</i> ] .....	59
*Farm Machinery Industry Development Viewed [ <i>JIDIAN RIBAO 7 Apr</i> ] .....	59

### REGIONAL AFFAIRS

#### East Region

Official Inspects Shandong Development Zone [ <i>Jinan Radio</i> ] .....	63
Shanghai To Sell 30 Small State Enterprises [ <i>XINHUA</i> ] .....	63
Shanghai Increases Investment in Industry [ <i>XINHUA</i> ] .....	63
Shanghai Establishes Share-Holding Companies [ <i>XINHUA</i> ] .....	63
Zhejiang Circular on Rural Party Organs [ <i>ZHEJIANG RIBAO 27 Apr</i> ] .....	64
Zhejiang Law Firms Handle Foreign Clients [ <i>XINHUA</i> ] .....	65

#### Central-South Region

Guangzhou Industrial Economy Develops [ <i>XINHUA</i> ] .....	66
Li Zibin Elected Mayor of Shenzhen [ <i>XINHUA</i> ] .....	66
New Leadership Lineup Detailed [ <i>ZHONGGUO XINWEN SHE</i> ] .....	66
Shenzhen Officials Deny Arrest Reports [ <i>Hong Kong SOUTH CHINA MORNING POST 23 May</i> ] .....	66
Shenzhen Mayor on Losing Special Treatment [ <i>Hong Kong HONGKONG STANDARD 24 May</i> ] .....	67
Shenzhen Mayor To Crackdown on Corruption [ <i>Hong Kong SOUTH CHINA MORNING POST 24 May</i> ] .....	67

#### Southwest Region

Tibetan Buddhists Condemn Dalai Lama's Act [ <i>XINHUA</i> ] .....	68
CPPCC Condemns Act [ <i>XINHUA</i> ] .....	68

#### North Region

Hebei Court President Removed From Office [ <i>RENMIN RIBAO 12 May</i> ] .....	69
Inner Mongolia Townships Increase Income [ <i>XINHUA</i> ] .....	70
Tianjin Issues Court Work Report [ <i>TIANJIN RIBAO 7 Mar</i> ] .....	70

#### Northeast Region

Heilongjiang Secretary on Industrial Work [HEILONGJIANG RIBAO 4 Mar] .....	78
Heilongjiang Governor on 1995 Economic Work [HEILONGJIANG RIBAO 5 May] .....	81
Heilongjiang Records Rapid Economic Growth [XINHUA] .....	91

## TAIWAN

Further Reportage on Li's Upcoming U.S. Visit .....	92
More on Ministry Release [CNA] .....	92
Minister Not To Accompany Li [Taipei Radio] .....	92
Beijing's Reaction Viewed [Taipei Radio] .....	93
Pusan Beats Kaohsiung in Bid To Host Asian Games .....	93
Taiwan Denounces 'Intervention' [CNA] .....	93
Spokesman Condemns Beijing [CNA] .....	93
Government Considers South China Sea Task Force [Taipei Radio] .....	94
Organization Head Urges Support for UN Bid [CNA] .....	94
Australian Minister Meets Hu Despite Warning [CNA] .....	95
Seminar on Cross-Strait IPR Issues Opens [CNA] .....	95

## HONG KONG & MACAO

### Hong Kong

Hong Kong Media Criticizes Li Visit to U.S. [XINHUA] .....	97
Reportage on Amending of Appeal Court Bill .....	97
Encompasses PWC Views [Hong Kong TV] .....	97
Most Proposals Accepted [Hong Kong EASTERN EXPRESS 24 May] .....	97
Economic Subgroup Meets Economists, Professionals [ZHONGGUO XINWEN SHE] .....	98
Group Says 'Hundreds' of Vietnamese Injured [Hong Kong EASTERN EXPRESS 24 May] .....	99
Newspaper Fires 10 Percent of Editorial Staff [Hong Kong EASTERN EXPRESS 24 May] .....	99
Official Hopes Expatriate Police Will Stay [ZHONGGUO XINWEN SHE] .....	99
Britain Makes 'Concessions' on Budget Formation [Hong Kong EASTERN EXPRESS 24 May] .....	100

### Macao

Further Coverage of Lu Ping's Visit .....	100
Arrives, Delivers Speech [ZHONGGUO XINWEN SHE] .....	100
Lu Ping Meets Governor [XINHUA] .....	101
More on Meeting [Hong Kong HONGKONG STANDARD 24 May] .....	101

## General

### Further on Three-Nation Buddhist Conference

#### Opening Ceremony Reported

OW2305145495 *Beijing XINHUA in English*  
1353 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA/OANA) — Nearly 1,000 Buddhists from China, the Republic of Korea (ROK), and Japan held an assembly today at the Guang-Ji Monastery in Beijing to pray for world peace and people's happiness.

Addressing the opening ceremony, which was presided over by Master Jing Hui, vice-president of the Buddhist Association of China (BAC), BAC president Zhao Puchu said, "This is not only a special occasion for the cooperation of Buddhists from China, ROK, and Japan in bringing benefits to the mankind, but also a great event in the friendly exchanges among Buddhists of the three nations."

Buddhism is a peace-loving religion, and it expects people to understand, tolerate and help each other, and it opposes greediness, discrimination and killing, Zhao said.

He expressed his heartfelt hope that friendship among the people of the three countries will last forever, that all nations in the world will stop fighting, and that all people will live in peace.

Zhao's speech was followed by a reciting of sutras by Buddhists of the three countries. Leaders of the three delegations planted an "Everlasting Tree", symbolizing friendship among the Buddhists of the three countries.

China is a country with many religions with Buddhism, Taoism, Islam, Protestantism, and Catholicism being the major ones.

Buddhism was brought to China around the first century A.D. and evolved ultimately into three religious schools after a long period of time. The country has 9,500 temples and monasteries with 170,000 nuns and monks.

In an interview with XINHUA, an official from the Department of Policy Research and Legislation Bureau of Religious Affairs under the State Council, said that the Chinese government respects the religious beliefs of its citizen and protects the rights and interests of religious groups and normal religious activities.

The government has allocated hundreds of millions of yuan to renovate old and dilapidated temples, bringing the total number of religious sites in China to 68,000, and has opened 48 religious colleges. Religious groups

in China have established ties with religious organizations and people in 70 countries and regions.

The official noted, however, that religion should not intervene in government administration, judicial affairs, and education.

#### Meeting Termed 'Fruitful'

OW2305154195 *Beijing XINHUA in English*  
1446 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — The two-day conference attended by Buddhists from China, the Republic of Korea (ROK) and Japan ended here this evening, with a declaration having been agreed upon.

In the closing speech, Zhao Puchu, president of the Buddhist Association of China, described the conference as "a friendly and fruitful" one.

"China, the ROK, and Japan are the main areas in Asia for the spread and development of Buddhism. It is hard to promote the growth of Buddhism and maintain world peace without international cooperation and exchange," Zhao said, adding that the conference has opened the way to the solution of some problems of common concern.

An agreement was reached at the conference on establishing a Liaison Committee for friendly exchanges among Buddhists of the three countries and plans have been drawn up accordingly.

Those attending the conference also passed a declaration on friendly exchanges among Buddhists from China, the ROK, and Japan, which proposed that Buddhists of the participating countries should increase cooperation on personnel training, academic and cultural exchanges, exchange of information, visits, and exchanges with Buddhists of other countries.

The participants agreed that a second conference will be held in the ROK in 1996 and a third one in Japan in 1997.

#### Jiang Meets Leading Buddhists

OW2405083895 *Beijing XINHUA in English*  
0809 GMT 24 May 95

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — Chinese President Jiang Zemin met here today with leading Buddhists from China, the Republic of Korea (ROK) and Japan.

The Buddhists were here for a two-day conference, which ended Tuesday [23 May].

Extending congratulations to the Buddhists on their successful conference, Jiang said that the conference's theme of friendship, co-operation and peace reflects the common desire of Buddhists and other people in the three countries in their efforts to seek peace and development, and the meeting will surely play a positive role in advancing the cause of world peace and development.

Exchanges between Buddhists, which have enjoyed a history of 1,000-odd years among the three countries, have served as a bridge of friendship for the peoples and of cultural relations, Jiang said.

Jiang also expressed his appreciation for the efforts the Buddhists have made in promoting friendship between the three countries.

Present at today's meeting were Zhao Puchu, president of the Buddhist Association of China and honorary head of the Chinese delegation, and the heads of the ROK and Japan delegations. They said during the meeting that Buddhists from all three countries are willing to further their exchanges and co-operation so as to push forward the cause of peace and friendship between the three peoples.

#### **Thai Minister Surin To Attend Drug Talks**

OW2405083795 Beijing XINHUA in English  
0756 GMT 24 May 95

[FBIS Transcribed Text] Bangkok, May 24 (XINHUA) — Thai Deputy Foreign Minister Surin Phitsuwan is to leave for Beijing Friday [26 May] for talks on finding ways of tackling the narcotics problem in the Mekong River subregion.

Surin will head the Thai delegation at Saturday's meeting with Myanmar, Chinese and Laotian ministers and officials of the United Nations International Drug Control Program, which is organizing the meeting, local press reported today.

Participants will consider altering the agreement to pave the way for Cambodia and Vietnam to join the meeting.

#### **'No Progress' in U.S.-DPRK Reactor Talks**

SK2405005095 Beijing China Radio International  
in Korean 1100 GMT 23 May 95

[FBIS Translated Text] Yesterday, the United States and the DPRK continued high-level negotiations on the DPRK nuclear issue in Kuala Lumpur. However, no progress seems to have been made in achieving a major breakthrough.

On the same day, Kim Kye-kwan, chief DPRK delegate to the talks, told reporters after the negotiations

that the United States and the DPRK mainly discussed issues pertaining to light-water reactors. Vice Foreign Minister Kim Kye-kwan said the talks with Thomas Hubbard, chief U.S. delegate and deputy assistant secretary of state for East-Asia and Pacific affairs, will be temporarily adjourned to narrow differences at working-level talks.

The recent high-level negotiations resumed on 19 May in Kuala Lumpur after the Berlin talks on supplying light-water reactors to North Korea ruptured last month. According to reports from ROK media, during the talks the United States proposed that if the DPRK concurs in the provision of ROK-style light-water reactors, the United States is prepared to make concessions on such matters as the early shipment of 100,000 tonnes of heavy oil to the DPRK, the establishment of mutual diplomatic missions at an early date, and on not specifying the term ROK-style reactors as the light-water reactors to be provided.

#### **U.S.-Russian Summit Called 'Totally Fruitless'**

HK2405043995 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 18 May 95 p 6

["Special article" by Wei Daifang (7614 1129 2455):  
"Russian-U.S. Summit Meeting Totally Fruitless"]

[FBIS Translated Text] In Moscow to attend the commemoration of the 50th anniversary of the Victory of the World Anti-Fascist War, U.S. President Clinton held talks with Russian President Yeltsin on 10 May. The main agenda was NATO's eastern expansion, Russian-Iranian nuclear cooperation, the Chechen War, and problems with the Treaty on Conventional Weapons in Europe. The two sides failed to reach agreement on all of the above issues.

First, there was no agreement on NATO's eastern expansion. Yeltsin stressed that Russia has not changed its position on this issue but did agree to join NATO's "Partnership for Peace." Observers predicted that the United States would help Russia build a mechanism for direct and frequent dialogue with NATO to allay Russia's worries about NATO's expansion to the east. But the existence of such help for Russia means that NATO's eastern expansion is an accomplished fact. Yeltsin's statement was the best he could come up with under the circumstances.

In 1991, the Warsaw Pact was dissolved, and former pact member states like Poland, Hungary, and Czechoslovakia proposed joining NATO. On a visit to Poland last August, Yeltsin said, "Russia no longer thinks there is any problem with Eastern Europe joining NATO." Shortly afterwards, however, Yeltsin publicly stated his



opposition to NATO's eastern expansion, believing that it involved Europe's future security pattern and would undermine the parity of forces between the East and the West and would place Russia in an unfavorable geopolitical position. In response, Clinton stated that, from now on, the solution of any problem concerning NATO should conform with the interests of all partners and should promote European integration.

Before the Moscow summit, the United States had expressed the hope that Russia would yield on the issue of nuclear cooperation with Iran. The U.S. intention was to prevent Moscow from developing further ties of cooperation with Iran, Russia's neighbor, while it is helping Iran with its current difficulties, and to prevent this from becoming a threat to U.S. strategic interests in the Middle East and the Gulf. Before the meeting, Clinton said that he would tell Yeltsin that the United States "strongly opposes" Russian-Iranian nuclear cooperation, even if this stance affects Russian-U.S. relations. During the talks on the 10th, Clinton introduced evidence of Iran's nuclear weapons research, but Russia insisted that its nuclear cooperation with Iran had not violated any international treaties. Russia only pledged that it would not sell Iran technology which might be used to produce nuclear weapons.

On the problem of cutting strategic nuclear weapons, both sides stated only that they would work hard to ratify within the year the second Strategic Arms Reduction Treaty [START II], which was signed in 1993. Before this, Russia had threatened to reject the treaty to protest NATO's eastern expansion. Furthermore, the West's insistence on NATO's eastern expansion and its strong protests about the Chechen war have also prompted Russia to demand a revision of the Conventional Forces in Europe [CFE] Treaty, which was signed in 1990. Russia's real motive was to create conditions so that it could establish the Caucasus Army 58 proposed earlier, about which Clinton expressed his understanding.

The Moscow Summit was the sixth meeting between U.S. and Russian leaders since the Cold War. It took place at a time when the two presidents were about to face general elections in their own countries, the results of which will be crucial to their fate. Yeltsin saw the meeting as a key opportunity to improve Russia's relations with the West, which had been deteriorating due to the Chechen war. Western observers believe that the attendance of European leaders at the 50th anniversary in Moscow demonstrated the recognition of Yeltsin by Western countries. Facing the pressure of domestic opposition and nationalists in his election bid, Yeltsin needed to adopt a hard line position on nuclear cooperation with Iran. For the United States, the primary objective of Clinton's Moscow trip was to get Russia

to agree to establish a partner relationship with NATO. The compromises in the two other controversial issues can be considered evidence of the desire to maintain the already fragile relationship with Russia; such a desire was also made necessary by domestic politics.

Observers believe that the results of the summit meeting between U.S. and Russian leaders have shown clearly that neither side knows how to react to the series of controversial issues now that the "honeymoon" between the two countries is over.

**Russia, Iran Continue Peaceful Nuclear Ties**  
*OW2305161995 Beijing XINHUA in English*  
*1555 GMT 23 May 95*

[FBIS Transcribed Text] Moscow, May 22 (XINHUA) — Russia's Atomic Energy Minister Viktor Mikhaylov said today that his country would continue cooperation with Iran in peaceful use of nuclear energy.

Russia would strictly carry out the accord on providing nuclear equipment and technology for Iran, the Interfax News Agency quoted Mikhaylov as saying.

The Russian Atomic Energy Ministry also proposed that the two countries sign a contract at the end of this year on establishing a 40-megawatt light-water nuclear reactor in Iran for the purpose of research.

Mikhaylov said cooperation between Russia and Iran in atomic energy neither goes beyond inter-governmental accords nor runs counter to their international obligations.

The technical aspects of the nuclear accord between Russia and Iran will be examined this summer at a meeting between U.S. Vice President Al Gore and Russian Prime Minister Viktor Chernomyrdin.

The United States will ask both the International Atomic Energy Agency and Russia to strictly monitor the implementation of the accord.

Mikhaylov said Russia has not yet decided on the sale to Iran of centrifuges, which produce enriched uranium.

However, he said the centrifuges have nothing to do with nuclear weapons and Germany and Japan also have similar centrifuges.

In January, Russia signed an agreement with Iran on providing nuclear reactors for the latter and helping it build a nuclear station. The accord drew strong criticism from the United States.

At the U.S.-Russian summit in mid-May, Russian President Boris Yeltsin promised that his country would not



sell Iran centrifuges and other nuclear equipment and technology, which could be used for military purpose.

#### **Japan Gas Attacks, U.S. Bombings Viewed**

*HK2305142495 Beijing RENMIN RIBAO in Chinese  
4 May 95 p 6*

["International Forum" article by Wang Nan (3769 0589): "It Is Necessary To Seek Cause in Oneself"]

[FBIS Translated Text] The nerve gas attacks on Tokyo subways and the bomb blasts in Oklahoma have become hot items for the Western media. The international community responded strongly to these two terrorist cases. Many people condemned the savage acts simultaneously, and expressed profound sympathy for the victims' relatives. What attracts our attention is that while the two cases are still under investigation and the public has not yet recovered from its fright, there has emerged news that Yokohama also was attacked by nerve gas, and that some civilians [as published] in California were killed in bomb attacks.

The Japanese and U.S. authorities are working hard to identify the offenders. The U.S. Federal Bureau of Investigation has offered a special reward of \$2 million for the capture of the criminals. The Japanese police have searched the Aum Shinrikyo office, and have arrested its followers who are suspected of unleashing nerve gas on Tokyo subways. They also have issued an arrest warrant for the leader, Shoko Asahara, who remains at large. The U.S. police have arrested one of the two primary suspects in the bomb blast. Britain also will repatriate to the United States a male U.S. passport-holder suspected of involvement in the case, while the other primary suspect remains at large. It possibly may take a fairly long time for the police to get to the bottom of these cases. Still, we can form a judgment that the crimes were committed by terrorists, and again, that some features of these crimes merit vigilance.

The terrorists used a chemical weapon on the Tokyo subways this time, instead of conventional tools like knives and guns. This makes safety experts anxious: Will terrorists "use biological weapons to pollute the air of closed public places or the water supplied to big cities?"

The differences between the two terrorist cases and ordinary crimes are that no warning was given and no threat was made beforehand, and that no one claimed responsibility afterward. Their only purpose seemed to be to harm innocent people, thus "creating a terrorist atmosphere in society" (said the Japanese YOMIURI SHIMBUN). London's SUNDAY TIMES even figured that the bomb attack in Oklahoma "is only a part of the

terrorist activity of a larger scale to be carried out on U.S. territory."

In the past, whenever there was a terrorist attack in Western countries, the authorities concerned invariably would seek "terrorist sources" in other countries, and sometimes even sent their troops abroad to make military attacks on other countries in the name of "punishment." This time, however, a preliminary survey shows that the "terrorist sources" of nerve gas attacks in Tokyo and Yokohama are in Japan, while Timothy McVeigh, who was arrested in connection with the Oklahoma blast, and the other suspects so far arrested are all Americans. It seems that first of all, the authorities should search their own countries for the causes.

The deep-seated reasons for frequent terrorist attacks in developed countries such as the United States and Japan may not be clearly explained in a few words, but one thing is certain: The international community's struggle against terrorist activities will meet with greater difficulties. For developed countries, apart from watching out for terrorist attacks from outside, they must guard against troubles at home, rather than looking only outward for their targets.

#### **Song Jian at UN Environment Program Meeting**

*OW2205190995 Beijing XINHUA in English  
1843 GMT 22 May 95*

[FBIS Transcribed Text] Nairobi, May 22 (XINHUA) — Economic development should be brought into harmony with environmental protection and developed countries should bear the primary responsibility for environmental protection, a Chinese senior official said here today.

Song Jian, the Chairman of Environmental Protection Committee of the Chinese State Council, made the remarks at the plenary meeting of the 18th Session of the Governing Council of United Nations Environment Program (UNEP) at the UNEP headquarters.

A proper environmental policy system and sustainable use of resources are the foundation for economic development and social progress, Song Jian said.

"Strenuous efforts should be made to protect forests, plant trees, develop eco-agriculture, limit industrial impact on the environment and control excessive consumption," he added.

Song Jian leaves tonight after a one-week stay in Kenya, during which he paid an official visit to this country.

Present environmental problems are mainly accumulated from excessive consumption of resources and large discharge of pollutants by developed countries, he said.

Therefore, Song Jian said, they should take the lion's share of obligations in terms of financial and technological transfer and take practical actions to help developing countries eradicate poverty and ensure sustained development.

The Chinese official said global environmental protection, as a common cause of the mankind, requires international cooperation.

China believes that it is imperative for all countries to follow Cairo UN Conference on Population to decrease population growth, he said, adding the biggest pressure on the environment comes from the growing world population.

He proposed that scientific research on global environmental problems should be intensified.

Song Jian said developed countries with only 20 percent of the world population consume more than 70 percent of the world resources and energy.

"Hundreds of millions in the developing countries are living in hunger and cold. A few isolated rich islands can not be expected to keep on their affluence for long in an ocean of poverty," he said.

He said China pays high tribute to the contributions UNEP has made since its establishment 23 years ago and wishes that UNEP will further intensify its coordinative and leading role in pushing forward the worldwide cooperation on the implementation of international treaties.

### United States & Canada

#### Further on Reaction to Li Teng-hui U.S. Visit

##### 'Text' of CPPCC Statement

OW2405034895 Beijing XINHUA in English  
0324 GMT 24 May 95

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — The Foreign Affairs Committee of the Chinese People's Political Consultative Conference (CPPCC) National Committee today issued a statement concerning the U.S. government's decision to allow Li Teng-hui into the United States. The full text of the statement reads as follows:

On May 22, the U.S. administration, in disregard of the firm opposition and repeated solemn representations made by the Chinese government, announced its decision to permit Li Teng-hui to attend the commencement ceremony of Cornell University. [XINHUA Domestic Service in Chinese at 0418 GMT on 24 May in a similar report reads: "... of Cornell University in June this year."] The Chinese Government lodged a strong protest

at this. The democratic parties, non-party personages, people's organizations, representatives of various ethnic groups and of various circles, as well as representatives of Taiwan, Hong Kong, Macao and returned overseas compatriots on the CPPCC National Committee firmly support the solemn position of the Chinese Government, and express our utmost indignation and strong condemnation of this move, which infringes upon China's sovereignty and undermines its great cause of peaceful reunification. [XINHUA Chinese version reads: "...strong condemnation of this disgusting conduct [e lie xing jing 1921 0503 5887 1777], which infringes upon ..."]

It is known to all that there is only one China in the world, that the Government of the People's Republic of China is the sole legitimate government representing the whole of China and that Taiwan is an inalienable part of Chinese territory. [XINHUA Chinese version reads: "...is the sole legitimate government of China and that Taiwan...."] This is recognized by the international community and the U.S. administration clearly undertook obligation for this in the three Sino-U.S. joint communiques. The Taiwan issue is of vital importance to China's sovereignty, territorial integrity and the great cause of reunification. [XINHUA Chinese version reads: "...communiques. The Taiwan issue concerns China's sovereignty, territorial integrity and the great cause of reunification."] Allowing Li Teng-hui to visit the United States in whatever capacity by the U.S. administration will result in the severe consequence of creating "two Chinas" or "one China, one Taiwan", in complete violation of the fundamental principles in the three Sino-U.S. joint communiques. This is firmly opposed and will never be accepted by the Chinese Government and the 1.2 billion Chinese people. This move of the U.S. administration blatantly interferes in the sacred cause of the reunification of the Chinese people, seriously hurts the national feelings of the Chinese people, and will surely cause severe consequences in Sino-U.S. relations.

The Chinese people have always attached importance to Sino-U.S. relations, cherished sincere wishes and made arduous efforts for the improvement and development of the friendly relations between China and the United States and the peoples of the two countries. However, the U.S. administration from time to time has created obstacles in Sino-U.S. relations, and this time, has gone back on its words, broken its promises and retreated drastically from its original position. [XINHUA Chinese version reads: "... from its original position regarding Li Denghui's [Li Teng-hui's] U.S. visit."] By doing so, how can the U.S. administration win credit among the Chinese people, let alone the international community! We strongly demand that the U.S. administration rescind the wrong decision immediately. The

democratic parties, non-party personages, people's organizations and compatriots from various ethnic groups and from various circles on the CPPCC National Committee will give full support to all corresponding actions that will be taken by Chinese Government.

#### Visit Termed U.S. Strategy 'Chip'

HK2305152995 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1150 GMT 23 May 95

["Roundup" by correspondent He Shan (4421 1472): "Taiwan Has Become a Chip in a U.S. Card Game"]

[FBIS Translated Text] Hong Kong, 23 May (ZHONGGUO TONGXUN SHE) — The announcement by the United States that it is allowing Li Teng-hui to conduct a private visit to the country as an a Cornell University alumnus shows that the United States is changing its policy toward China, and that Taiwan is being used by the United States in a Sino-U.S. card game as a chip that will have the effect of "subjugating the Chinese by means of the Chinese." Taiwan has become a negative variable factor in Sino-U.S. and cross-strait relations.

Since the United States severed official relations with Taiwan and established diplomatic relations with Beijing in 1979, the United States has upheld the three Sino-U.S. Joint Communiques as the principles underlying its relations with China, recognizing that there is only one China, with Taiwan as part of it. On this basis, the United States has maintained only unofficial economic and cultural relations with Taiwan. The Clinton administration, however, announced in a policy review last year that high-ranking Taiwan officials would be permitted to pass through the United States as transit passengers. Now it is revising its policy guidelines to allow high-ranking Taiwan officials to make private visits to the United States. These policy changes have been criticized by Beijing as damaging China's sovereignty, undermining the great cause of China's peaceful unification, and blatantly helping to formulate "two Chinas" and "one China, one Taiwan." They will seriously undermine [yan zhong sun hai 0917 6850 2275 1364] Sino-U.S. relations.

Moreover, since early this year, there have been high-level dialogues between the two shores, such as the "Jiang's Eight Proposals" and "Li's Six Points," which eased the once-tense climate between the two shores, and the "Wang Daohan-Koo Chen-fu talks," which are being actively prepared. The United States chose this moment to meddle in China's internal affairs, trying to rope in Taiwan on the one hand, and arbitrarily saying "Tibet is a sovereign state under occupation" on the other, and has thus reversed the normalization of cross-strait relations. Such a pursuit is, of course, bad for

Beijing, but it does not necessarily have a positive effect on Taipei.

Media analysis in Taiwan said one possible reason for such a change on the part of the United States was that lobbies by Taiwan have worked. The U.S. Government found it difficult to resist the political pressure from Congress. Another possibility was that the United States exploited the situation to launch a strategy of containing the mainland, in which Li Teng-hui's U.S. visit was a well-arranged move. In the former case, the U.S. Government certainly will speedily seek to repair its relations with the mainland by restoring the original status of its relations with Taiwan after Li's visit, and there will be little chance for a hoped-for domino effect that may help Li to follow up his U.S. trip by visits to Japan and Europe. If it is the latter case, the United States will try to rope in its Western allies to do the same, and Taiwan will be actively involved in activities pursued by world powers against China. Taiwan will be courting disaster and will be confronted with trouble head-on.

Moreover, some observers in Taiwan have pointed out that Washington and Beijing have been playing a political game. The United States used to have human rights, Tibet's independence, and arms sales to Taiwan as chips. However, the human rights chip was given up last year, and the remaining two are not much use now. The costly lobby by Taiwan for a U.S. trip for Li Teng-hui at this time was as good as giving the United States a new chip. However, all card games end by showing your hand. When the card game is over and the players are gone, no one will be concerned with what will happen to the chip.

However, just as there are people worrying about Taiwan's becoming someone's chip, there are those who feel honored and delighted at the "irresistible tide of U.S. opinion." But being a chip, it is not in control of its fate and is being manipulated. While the mainland may be hurt by the consequences, it is not certain Taiwan can benefit from them.

#### Beijing 'Indignant' Over Visit

OW2405082395 Beijing XINHUA Domestic Service in Chinese 0522 GMT 24 May 95

[Statement by the PRC National People's Congress Foreign Affairs Committee; date not given]

[FBIS Translated Text] Beijing, 24 May (XINHUA) — On 22 May, the U.S. Government announced its permission for Li Denghui [Li Teng-hui] to pay a so-called "private visit" to the United States despite the Chinese side's repeated representations and firm opposition. The



move completely runs counter to the fundamental principles enshrined in the three Sino-U.S. joint communiques, and is an extremely serious matter [ji wei yan zhong de shi jian 2817 3634 0917 6850 4104 0057 0115] that infringes on China's sovereignty, undermines the great cause of China's peaceful reunification, and flagrantly creates "two China's" or "one China, one Taiwan." The PRC National People's Congress [NPC] Foreign Affairs Committee is very shocked and indignant about this, and firmly supports the Chinese Government in lodging a strong protest with the U.S. Government.

There is only one China in the world; the PRC Government is China's sole legitimate government, and Taiwan is an inalienable part of Chinese territory. This is generally acknowledged by the international community, and the U.S. Government is also explicitly committed to this in the three Sino-U.S. joint communiques. In reality, however, the U.S. Government has repeatedly violated its commitments. Recently, in particular, it has continuously adopted measures aimed at upgrading U.S.-Taiwan relations. Now that it is openly permitting Li Denghui to visit the United States, it is straying further on the Taiwan issue.

The U.S. Government has attempted to invoke so-called congressional "pressure" to justify its action which has seriously hurt the two countries' relations; this is totally futile. It must be noted that there are indeed a small number of diehard anti-China elements in the U.S. Congress who use the Taiwan issue to infringe on China's sovereignty, to undermine the cause of China's peaceful reunification, and to interfere in China's internal affairs. The U.S. Government, however, should by no means use this as an excuse to do things that violate the three Sino-U.S. joint communiques. Because of Li Denghui's status, his visit to the United States — no matter in what name or form it is made — will cause the serious consequence of "two China's" or "one China, one Taiwan." By this decision, the U.S. Government has completely abandoned its commitments in the three Sino-U.S. joint communiques, and broken its promise not to permit Li Denghui to visit the United States. The decision has impaired the United States' international reputation and interests. It will inevitably cause serious harm to Sino-U.S. relations. Although China attaches importance to its relations with the United States, our stand is firm and unshakable [jian ding bu yi 1017 1353 0008 4448] on major issues of principle that affect China's fundamental interests, such as China's sovereignty and territorial integrity and the great cause of national reunification. We would like to sternly warn the U.S. Government and Congress: Your decision to permit Li Denghui to visit the United States has seriously hurt the national feelings of 1.2 billion

Chinese people. You would be well advised not to stray further; otherwise, you will begin with injuring others and end up ruining yourselves.

The Chinese NPC Foreign Affairs Committee firmly supports the Chinese Government's solemn and just stand, and strongly urges the U.S. Government to immediately revoke its erroneous decision to permit Li Denghui to visit the United States. If the U.S. Government is bent on having its own way, it will be entirely responsible for all consequences arising from this.

#### Clinton Visit 'Probably' Canceled

HK2405074895 Hong Kong LIEN HO PAO  
in Chinese 24 May 95 p 1

[Report from Hong Kong by staff reporter: "Beijing Deliberates Tough Retaliation Against the United States, Will Probably Cancel Clinton's Visit to China"]

[FBIS Translated Text] The U.S. State Department's official announcement on allowing Li Teng-hui to visit the United States has enraged the Beijing higher leadership. Jiang Zemin, general secretary of the CPC Central Committee, has returned to Beijing from Shanghai to personally attend to the issue.

It is said that the CPC higher leadership had already made corresponding arrangements on Monday before being informed that the United States would make the official announcement. A statement "reiterating a firm and just stand with strong wording" was prepared, and a decision was made so that Foreign Minister Qian Qichen would summon the U.S. ambassador to Beijing to make representations as an initial reaction.

It is said that follow-up actions were to be discussed and confirmed at meetings held yesterday and today. But the higher leadership has instructed that any reaction regarding this issue must be coordinated and centralized by the Foreign Ministry, and that no other ministries or departments should take any action on their own without authorization.

A source in the CPC higher leadership said Washington's allowing Li Teng-hui to visit the United States and making trouble on the Taiwan issue indicates that the Clinton administration is ready to offend China on all fronts. Some people have demanded that no more concessions be made this time.

At present, some major disputes between the United States and mainland China remain unsolved, or there are still some issues which the United States is eager to meddle in. These are: The issue of most-favored-nation status, the issue of China's application for

World Trade Organization membership, the intellectual property rights issue, the Tibet issue, the Nansha Islands issue, the issue of democracy activists and human rights, the trade deficit issue, and even the planned parenthood issue and the Hong Kong issue.

Therefore, the higher leadership believes that Clinton's act signifies an overall change in his China policy; and that in response to this policy change, a policy adjustment is necessary.

Sources from Beijing's Foreign Ministry said the ministry is still making final efforts in the hope that the U.S. Government will "reverse its decision" and return to the stand prescribed by the Sino-U.S. Joint Communiques.

But in an internal circular the Foreign Ministry states that once the situation is found to be irreversible, there will be a strong reaction, including relevant retaliatory actions.

It is said that the timing for a nuclear test by mainland China earlier this month was meant to serve as a warning or reminder to the United States. But apparently this has not served the expected purpose.

According to the analysis by a source concerned, China's initial substantive reaction, if it occurs, will cover two aspects. First, Sino-U.S. diplomatic relations will be downgraded, some consulates will be closed, and China may refuse to cooperate with the United States on some major international affairs, or may even suspend the arrangements for President Clinton's Beijing trip scheduled for July.

Second, as far as economic relations and trade are concerned, some business contracts which can be terminated will be terminated. These may include suspension of the plan to buy some important U.S. products, such as Boeing airplanes. But actions in this regard are expected to incur greater losses to the Chinese side.

The Foreign Ministry in Beijing is afraid that the U.S. policy change may cause a domino effect, as other countries may follow suit, thus resulting in a major diplomatic defeat for Beijing. For this reason, it is necessary for Beijing to try its best to deal with the matter.

Generally speaking, however, Beijing does not have much bargaining power, political or economic, with regard to Sino-U.S. relations. Therefore it is not likely that Beijing can effectively check Clinton, and the situation will still be very complicated.

### Relations Could 'Regress'

MS2405092395 London *FINANCIAL TIMES*  
in English 24 May 95 p 4

[Report by Tony Walker: "China Warns US On Taiwan Leader's Visit"]

[FBIS Transcribed Text] Beijing — China yesterday warned of serious effects on Sino-US relations over Washington's decision to allow Taiwan's President Li Teng-hui to visit the US. The row risks precipitating the gravest crisis between Beijing and Washington since relations were normalised in 1979.

China's furious reaction seems certain to continue for weeks. Beijing has not spelled out what action it might take, but a range of contacts involving military co-operation, arms control and human rights dialogue could be affected.

Mr Qian Qichen, China's foreign minister, yesterday summoned Mr Stapleton Roy, US ambassador in Beijing, to the foreign ministry to be told of Beijing's "grave" concern. The US was accused of violating three Sino-US joint communiques (these outlined normalisation conditions), touching on China's sovereignty, and undermining the cause of peaceful reunification.

The statement warned that Sino-US relations could "stagnate, or even regress". It accused the US of "going back" on its commitment "reiterated only a few days ago", by granting the entry permit.

Beijing has, since it replaced Taipei as representative of China in the UN in 1971, fought a running battle to maintain Taiwan's diplomatic isolation. This has involved periodic angry protests about persistent attempts by Taiwanese officials to gain access to international forums.

A western official in Beijing said the Chinese reaction was "about 8.5 on the Richter scale". Beijing's anger was likely to deepen if the US refuses to rescind its decision.

The present political uncertainty in China associated with the transition to a new generation of leaders would, if anything, ensure a tough Chinese reaction. None of the leadership contenders would wish to be regarded as "soft" on such an issue at this time.

Mr Qian repeated Beijing's standard objection to contacts with Taiwan, saying: "We are firmly opposed to fostering official relations or maintaining exchanges and contacts of an official nature with Taiwan by any country that has diplomatic relations with China.

"Any attempt to create 'two Chinas', or 'one China, one Taiwan' is absolutely unacceptable." The US had

recently moved further to upgrade US-Taiwan ties despite repeated representations from Beijing.

"It has now gone so far as to allow Li Teng-hui to visit the US. Given his position, his visit in whatever form will be a serious political question and evidence of US connivance and support for Taiwan in creating 'two Chinas' or 'one China, one Taiwan'."

#### Editorial on Further Response

HK2405092995 Hong Kong WEN WEI PO in Chinese  
24 May 95 p A2

[Editorial: "United States Must Bear the Consequences for Breaking Its Promise"]

[FBIS Translated Text] The U.S. Government, in disregard of the firm opposition and repeated solemn representations made by the Chinese Government, announced that Li Teng-hui would be allowed to pay a so-called "private visit" to the United States. This is a serious move involving breaking its promise, challenging the three Sino-U.S. joint communiques, undermining China's sovereignty, and obstructing the great cause of China's peaceful reunification.

The U.S. side has persistently created trouble recently by playing the trick of "two Chinas" or "one China, one Taiwan," and interfering in China's internal affairs. It attempts to place Taiwan within its sphere of influence, and challenges China's sovereignty and territorial integrity. At first, the U.S. administration upgraded U.S.-Taiwan relations and allowed Taiwan officials to enter the office buildings of U.S. ministers. Later, it stirred up public opinion for allowing Li Teng-hui to visit the United States. Moreover, some U.S. politicians clamor for supporting Taiwan's return to the United Nations. On the question of Li Teng-hui's U.S. visit, the United States originally announced in March that "allowing Li Teng-hui to visit the United States would be inconsistent with the unofficial nature of U.S.-Taiwan relations," and that "it is impossible to issue a deferred transit visa to Li Teng-hui." Later, Winston Lord changed his tone, saying that "for reasons of security, convenience, and comfort," the United States is considering granting a "deferred transit visa" to Li Teng-hui. By uttering words that do not hang together and by breaking its own promise the United States has completely discredited its diplomatic reputation. On 22 May, the U.S. side showed its cards by issuing a visa to Li Teng-hui to make a six-day "private visit" to the United States. Meanwhile, the U.S. administration also issued a visa to Taiwan's "foreign minister," Chien Fu, to visit the United States. As U.S. State Department spokesman Nicholas Burns put it, the Clinton administration has revised its policy on Taipei leaders' visits to the United States.

Now that the U.S. side has done something to seriously undermine Sino-U.S. relations, it has a guilty conscience. It repeatedly stressed that Li's visit is strictly a "private visit," that the United States and Taiwan have maintained only "unofficial relations," and that the United States still abides by the three U.S.-Chinese joint communiques. By making this denial, it wants China to swallow the bitter fruit on the Taiwan question. This shows that the U.S. Government has misjudged the determination of the Chinese people to safeguard their sovereignty and territorial integrity, and reflects the U.S. advisers' utter ignorance of history and reality. The U.S. administration has long attempted to encroach on the Chinese territory of Taiwan, regarding it as an "unsinkable aircraft carrier." It also has practiced "two Chinas" in an attempt to lure and force the Chinese Government to accept the status quo. This has aroused the bitter opposition of the Chinese people, who have waged long and tenacious struggle against the U.S. hegemonistic conduct. The United States has paid a heavy price for this, and has damaged its long-term interests. Only after a lapse of 24 years was the United States finally aware that such conduct was a serious historical error. During his visit to China, Richard Nixon signed the Shanghai Communique. He turned a new page in Sino-U.S. relations by undertaking not to pursue hegemonism anymore, to withdraw the 7th Fleet from Taiwan, not to practice "two Chinas" again, and to maintain only unofficial relations with Taiwan. If the U.S. advisers do not learn historical lessons, but take the beaten track on the Taiwan question, they surely will run into snags everywhere and be overcome with regret.

When summoning U.S. Ambassador to China Stapleton Roy, Qian Qichen, Chinese vice premier and foreign minister, pointed out: Taiwan is the key issue standing in the way of the normalization of Sino-U.S. relations. It was only after the U.S. administration had made explicit commitments on the Taiwan question that diplomatic relations between the two countries were established. Over the 16 years since the establishment of diplomatic relations, successive U.S. administrations have stated that they will pursue a "one China" policy, and will handle the Taiwan question in accordance with the three Sino-U.S. joint communiques. However, the Taiwan question has remained a main obstacle blocking the development of Sino-U.S. relations. Whenever the U.S. side violates the principles concerning Taiwan in the three joint communiques, Sino-U.S. relations run into difficulties, stagnate, or even regress. Recently, in disregard of repeated representations by the Chinese side, the U.S. side has moved further in upgrading U.S.-Taiwan relations. It now has even gone so far as to allow Li Teng-hui to visit the United States. Given Li Teng-hui's position, his visit to the United States, in whatever



name and in whatever form, will be a serious political question, and evidence of U.S. connivance and support for the Taiwan authorities in creating "two Chinas" or "one China, one Taiwan." The U.S. administration has gone back on its commitment not to allow Li to visit the United States, which it solemnly reiterated only a few days ago, and it has taken actions that undermine the basis of Sino-U.S. relations. This will produce grave consequences.

China and the United States have chances to cooperate on international affairs, and the prospects for economic and business cooperation are bright. This cooperation can be built only on the basis of good Sino-U.S. relations. However, the advisers of the Clinton administration have made an erroneous assessment of the situation in the world and in China. They still think that the United States can willfully manipulate the destinies of other countries, and can decide China's internal affairs. They even think that the United States can, on the one hand, arrange for the Taiwan "president" to visit the United States, support Taiwan's practice that "there are two reciprocal political entities in China," obstruct the process of peaceful reunification between the two sides of the strait, and trample the three Sino-U.S. joint communiques; while on the other hand, forcing the Chinese people to yield to U.S. pressure and swallow the bitter fruit created by the United States. They are completely blinded by lust for gain! The Chinese people have issued a warning: To safeguard sovereignty and the reunification of the motherland, the Chinese Government and the Chinese people are ready to face any challenge!

China has lodged a strong protest and representation through diplomatic channels, demanding that the United States correct its mistakes and stop arranging for Li Teng-hui's visit to the United States. If the U.S. side obstinately clings to its course, the Chinese side certainly will give more reactions. In that case, the U.S. side should bear all the consequences arising therefrom. By contravening the joint communiques, the United States must repay the debt it has owed. In the future, China will gain the initiative in dealing with bilateral relations related to U.S. interests. As it challenges the Sino-U.S. joint communiques and disregards diplomatic morality and justice, the United States will not come to a good end.

#### **Councillor Song Jian Stresses IPR Protection**

*HK2305140695 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1239 GMT 24 Apr 95*

[By reporter Li Wei (2621 0251): "Song Jian Says China Is Serious About Protection of Intellectual Prop-

erty Rights, Not Just Putting Up a Show To Please Foreigners"]

[FBIS Translated Text] Beijing, 24 Apr (ZHONGGUO XINWEN SHE) — In his talks with some U.S. guests yesterday, Song Jian, Chinese state councillor and minister of the State Science and Technology Commission, stressed that China is serious about the protection of intellectual property rights [IPR], not just putting up a show to please foreigners. The Chinese Government, which has nothing to cover up on this issue, is as good as its word.

Song Jian also said: China attaches great importance to the issue of protecting intellectual property rights. Even if there were no Sino-U.S. Intellectual Property Rights Agreement, China also would need to manage the IPR market well because its economy will not grow healthily without the protection of IPRs.

Song Jian made the remarks in a meeting with Carlos Moorhead, chairman of Subcommittee on Intellectual Property and Judicial Administration of the Judicial Committee of the U.S. House of Representatives, and his party.

Song Jian reaffirmed the agreement reached between China and the United States on the IPR issue, and welcomed the U.S. guests to pay more visits to various places in China and to make suggestions.

Moorhead said that on his second visit to China, he found that great changes had taken place, and that the agreement reached between China and the United States on the protection of IPRs is a very important demonstration of the continuous progress made by China. He added that the United States really appreciated China's efforts to this end.

At the invitation of the Chinese People's Institute of Foreign Affairs, Moorhead and his party arrived in Beijing yesterday, to start their six-day visit to China. Before wrapping up their trip on 28 April, they also will visit Xian and Guangzhou.

#### **Li Guixian Arrives in Canada**

*OW2405110795 Beijing XINHUA Domestic Service  
in Chinese 0447 GMT 24 May 95*

[By reporter Tang Yongxing (0781 3057 5281)]

[FBIS Translated Text] Ottawa, 23 May (XINHUA) — State Councillor Li Guixian arrived in Vancouver late 22 May to start his visit to Canada.

Li Guixian will confer with Canadian Government officials in Ottawa on personnel training, personnel

exchanges between the two nations, and other issues. A memorandum will be signed.

Li Guixian is expected to leave Toronto for home on 30 May.

### Central Eurasia

#### Economist Interviewed on Sino-Russian Cooperation

HK2305135695 Beijing RENMIN RIBAO in Chinese  
21 Apr 95 p 2

[Report on "special interview" with Russian economist and delegation leader Grigoriy Yavlinskiy by staff reporter Liu Gang (0491 0474); date, place not given: "China and Russia Have Vast Realm of Cooperation — Interviewing Yavlinskiy"]

[FBIS Translated Text] At the invitation of the Association for International Understanding, a Russian delegation led by Yavlinskiy paid a friendly visit to China from 25 March to 1 April. In Beijing, Vice Premier Qian Qichen, and Wu Xueqian, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and vice president of the Association for International Understanding, each met with Grigoriy Yavlinskiy. China's well-known economists, and the persons in charge of relevant departments exchanged information on economic conditions with Yavlinskiy and his entourage.

Yavlinskiy is a well-known Russian economist; he was one of the persons who drafted the "500-day economic reform plan" in Russia, and he has served as deputy prime minister in charge of the economy. At present, Yavlinskiy is the leader of the "Yabolu" [0068 0590 4151] group in the Russian Congress.

Talking about the purpose of his trip to China, Yavlinskiy said that the main purpose of this trip was to visit and inspect Shanghai and Shenzhen, and to study China's experience in economic reform. In Shanghai, Yavlinskiy and his entourage visited the Shanghai Stock Exchange and the Pudong Development Zone. In Shenzhen, they visited the Shenzhen Industrial Exhibition Hall and the branch company of the "Associate" group. Yavlinskiy had a deep feeling toward his China trip this time. He said that the speed of construction in Shanghai and Shenzhen is amazing! What stirs admiration is that when China carries out economic reform on the one hand, it realizes political stability on the other, and this is commendable. He said, "In recent years, China has developed its economy rapidly, and has maintained this development trend for a long time. From 1993 to 1994, China's economic growth rate was 13 percent, and that is a high speed as far as the world is concerned. Since

the reform, the living standards of billions of people have improved 2.5 times, and this is very eye-catching. In Shanghai and Shenzhen, I saw with my own eyes the great number of opportunities brought to China by the reform and opening up policy, and these opportunities have been fully utilized. The facts prove that China already has found a road of reform that suits its national conditions."

Yavlinskiy has a bright and cheerful disposition, and he speaks frankly. During the banquet held for him by the Shenzhen People's Congress, Yavlinskiy said that when Russia formulates the new law on foreign investment, it should borrow Shenzhen's model.

Yavlinskiy thought that China and Russia have a vast realm of cooperation, and that there are great potentials. He said that Russia envies the prosperous and stable China, and that Russia should place relations with China in a priority position in its foreign relations. From the economic perspective, Russia should vigorously explore the huge Chinese market, and should utilize the preferential conditions given by China to foreign investors. He thought that Sino-Russian trade has a strong supplementary nature, and he cited an example to say that Russia can take part in China's work in transforming certain facilities. In particular, Russia is interested in the work of transforming facilities in the areas of the chemical industry, petroleum machinery, machine tool manufacturing, and tools manufacturing. In addition, the rapidly developing Chinese economy needs a rapidly developing power industry. Russia's power industry machinery products are cheaper than those made in the West, and the goods are readily available. Geographical position enables the two countries to develop border trade, while at the same time developing various kinds of cooperation, such as establishing joint-venture enterprises, and the export of electricity from Russia to China.

Before concluding his China visit, Yavlinskiy optimistically estimated the prospects for Sino-Russian trade and cooperation. He said, "By the year 2000, Russia's investment in China may reach \$5 billion or more, and that is just a beginning. Before I return to my country, I wish the Chinese people every success!"

### Northeast Asia

#### Report on Qiao Shi's Visit to Japan, ROK

OW2405112295 Beijing XINHUA Domestic Service  
in Chinese 1313 GMT 10 May 95

["Special" to RENMIN RIBAO and FAZHI RIBAO by Cao Zhi, secretary general of the Standing Committee

of the National People's Congress: "A Written Report on Chairman Qiao Shi's Visit to Japan and the ROK"]

[FBIS Translated Text] Beijing, 10 May (XINHUA) — Members of the NPC Standing Committee:

Chairman Qiao Shi made an official goodwill visit to Japan and the ROK from 10 to 22 April at the invitation of Takako Doi, the speaker of the House of Representatives, and Bunbei Hara, president of the House of Councillors, both of the Japanese Diet; as well as Hwang Nak-chu, speaker of the ROK National Assembly. This is the first visit to Japan and the ROK by a Chinese party and state leader this year; it is also the first visit to the ROK by a Chinese NPC Standing Committee Chairman.

## I

Japan and Korea attached great importance to the visit of Chairman Qiao Shi and accorded him a grand and warm reception. During the visit, Chairman Qiao Shi met separately with the Japanese emperor, the speaker and president of the two houses, Prime Minister Murayama, Deputy Prime Minister and Foreign Minister Kono, Minister of International Trade and Industry Hashimoto, ROK President Kim Yong-sam, Speaker Hwang Nak-chu, and Prime Minister Yi Hong-ku. He met people of various circles either in or out of government, and exchanged views with them on the further development of bilateral relations and issues of mutual concern. Chairman Qiao Shi also met representatives of overseas Chinese communities and Chinese students studying in the two countries and, while visiting Osaka, expressed sympathy with Chinese residents and students in the areas affected by the Kansai earthquake. He visited representative large enterprises of the two nations including Sony, Toyota Motors, Samsung Electronics, and Hyundai Shipbuilding.

## II

Having achieved its goal of making friends extensively, giving publicity to China, increasing common understanding, and enhancing friendship, Chairman Qiao Shi's visit to these two nations was a complete success.

(1) This year marks the 50th anniversary of the victory of the World Anti-Fascist War and the War of Resistance Against Japanese Aggression. During his stay in Japan, Chairman Qiao Shi explained to the Japanese Government and public China's principled stand on historical issues, emphasizing the importance of a correct acknowledgement of the past for the sound and steady development of Sino-Japanese relations and for friendship in the 21st century. He expressed the hoped that

Japan will, in the spirit of "not forgetting past events and drawing lessons from them," draw useful lessons from that episode of history and the tremendous development in the post-war years of peace, further consolidate the political foundation of Sino-Japanese relations, and ensure the long-term stability and development of Sino-Japanese friendship and cooperation. Prime Minister Murayama, the speaker and president of the two houses, and other Japanese political leaders expressed support for these views and suggested that Japan should, on the occasion of the 50th anniversary of the end of the war, profoundly reflect upon its past, correctly acknowledge the past, and develop Sino-Japanese friendly relations with an eye on the 21st century. The two sides enhanced their common understanding on historical issues, producing a positive effect in terms of encouraging Japan to earnestly sum up its historical lessons and sticking to the path of peaceful development.

(2) Chairman Qiao Shi's visit to the ROK coincided with negotiations between the United States and the DPRK on providing the latter with light-water reactors that drew the close attention of all quarters in the ROK. Chairman Qiao Shi repeatedly elaborated on China's principled stand on resolving the DPRK nuclear issue, urging all sides to seek a settlement acceptable to all sides through patient and persistent dialogue. Exerting pressure and sanctions are not ways to settle the problem. He emphasized that China's fundamental principle with regard to affairs on the Korean peninsula is to safeguard peace and stability in the region. China supports all positive proposals, from either side of Korea, aimed at easing tensions and wishes to see the two sides settle their existing problems through dialogue and eventually achieve independent and peaceful reunification of Korea. Through these exchanges of views, the ROK has increased its understanding of our stand.

(3) Chairman Qiao Shi communicated to the governments and public of Japan and the ROK that China's established policy is to further develop bilateral good-neighborly relations and friendship with them. His statements were greeted with welcome in both nations. As for Sino-Japanese relations, Chairman Qiao Shi fully affirmed the noteworthy progress in bilateral relations since the two nations normalized their relations. He stressed that the two nations should cherish their friendship, expand exchanges and cooperation, and carry on sound, steady, and good-neighborly Sino-Japanese relations into the 21st century. Chairman Qiao Shi also noted that so long as both sides adhere to the Sino-Japanese Joint Declaration and the Sino-Japanese Treaty of Peace and Friendship, trust each other and cooperate in sincerity by basing themselves on the present with an eye to the future, Sino-Japanese relations will certainly



develop in a steady manner for years to come. Japanese leaders including Prime Minister Murayama reiterated that Japan will, on the basis of adhering to the Sino-Japanese Joint Declaration and other basic principles, further enhance and expand bilateral relations. This is the basic policy of the Japanese Government toward China and a cornerstone of Japanese diplomacy. On relations between China and the ROK, Chairman Qiao Shi noted that exchanges have been frequent and economic cooperation and trade between China and the ROK have grown rapidly in the short period since the two nations established diplomatic ties. It is hoped that this trend will continue. China will continue developing good-neighborly relations and friendship with the ROK on the basis of the five principles of peaceful coexistence. President Kim Yong-sam also highly evaluated the current state of PRC-ROK relations, emphasizing that PRC-ROK friendship is good for regional peace and stability and the ROK is ready to expand cooperation with China and usher in, together with China, a new century of still greater development and prosperity.

(4) During the visit, Chairman Qiao Shi briefed the hosts on the situation of China's domestic reform, development, and stability and made positive efforts to advance the development of bilateral economic cooperation and trade. At a dinner hosted by the Federation of Korean Industries, Chairman Qiao Shi made an important policy speech elaborating on China's current policy at home and abroad. He stressed that through exploration and practice, China has found a path of development suitable to its national conditions; that is, socialism with Chinese characteristics. Chairman Qiao Shi also told the two nations that there are great possibilities and bright prospects for China's economic cooperation with Japan and the ROK. He urged Japanese business circles to seize the current opportune time to advance bilateral economic cooperation and trade to a new level. He expressed the hope that PRC-ROK industrial cooperation, which has already made a good start, will bear fruitful results. Various circles in both Japan and Korea highly evaluate the tremendous progress China has made after it started reform and opening to the outside world and the fast economic growth it has achieved in recent years. Prime Minister Murayama noted that the Japanese Government will continue according fullest cooperation to China's modernization drive. President Kim Yong-sam expressed the hope that ROK-PRC economic ties and trade will be further developed. The civilian business sectors in the two nations clearly indicated that they want to expand cooperation with and provide capital and technology to China and, in particular, to expand cooperation in infrastructure development and large projects, such as cooperation in auto-

mobiles and electronics and development of industrial parks in China.

(5) Chairman Qiao Shi's visit has helped further expand the NPC's friendly exchanges with parliaments of Japan and the ROK and enhanced their mutual understanding. Chairman Qiao Shi briefed parliaments of the two nations on the proceedings of the Third Session of the Eighth NPC and the goals of the current NPC. He emphasized that the NPC and its Standing Committee will step up legislation, especially economic legislation, and, at the same time, enhance inspection and supervision over law enforcement. Chairman Qiao Shi also noted that the Chinese NPC, Japanese Diet, and the Korean National Assembly have important responsibilities in safeguarding Sino-Japanese and Sino-Korean friendship. They must live up to the trust placed in them by the people and continue making new contributions to the development of bilateral friendship. China and Japan agree that exchanges of high-level visits and personnel and other forms of exchange between the Chinese NPC and Japanese Diet have become an important channel of friendly exchange between the two nations. Such exchanges have helped enhance mutual understanding and trust and accelerated the steady development of bilateral relations. The two nations agreed to expand and enhance such cooperation. The Korean National Assembly welcomed Chairman Qiao Shi's visit as an opportunity for further expanding exchanges with the Chinese NPC.

### III We have come to the following views as a result of the visit:

(1) The history of Sino-Japanese exchanges goes back a long time and there is a deep, popular basis for Sino-Japanese friendship. Even though China and Korea established diplomatic ties only a short time ago, the two nations have long-standing historical and cultural ties; their economies are mutually complementary and relations between them have developed rapidly on all fronts. At a time when the world is moving towards multipolarization, it is in their respective interests — and also good for regional and world peace and stability — for China to preserve and develop good-neighborly relations and cooperation with Japan and Korea. We should adhere to our established policy and continue promoting the steady and healthy development of friendship and cooperation with Japan and Korea.

(2) Acknowledging past events is a sensitive, important issue in Sino-Japanese relations. We should take a forward-looking attitude in the spirit of "not forgetting past events and drawing lessons from them." Meanwhile, we should emphasize the importance of a correct acknowledgement of the past for the sound and steady development of Sino-Japanese relations and on friend-

ship in the 21st century. With regard to erroneous views on the history of Japanese aggression of China and arguments that openly negate or distort historical facts, we should — in the interest of defending historical facts, safeguarding the foundation of Sino-Japanese relations and friendship — convincingly refute them and fight back so that Japan will develop a correct understanding of and reflect on the past and continue to follow the path of peaceful development.

(3) The nuclear issue in Korea — the focus of concern of many sides — is an issue that directly bears on the easing of tensions on the Korean peninsula and stability in that region. We should urge all sides concerned to take the interests of the whole into account and seek a peaceful settlement through persistent dialogue and negotiations.

(4) There are great possibilities and bright prospects for the development of economic cooperation and trade with Japan and Korea. We should seize the opportunity to further deepen economic ties with Japan and Korea. Japan's Toyota Corporation is willing to transfer technology and develop all-round economic cooperation with us. Korea's Hyundai Corporation wishes to take part in China's large construction projects, including the Three Gorges Project and high-speed railways; it is also ready to step up economic and technical cooperation with China's inland areas. We suggest that the relevant departments study these demands and proposals. At a time of the rising Japanese yen, these proposals present both opportunities and challenges to us. We should study them in a timely fashion and give them appropriate responses. As for Sino-Korean industrial cooperation already under way, we should continue exploring and reviewing experience so that it will yield real benefits.

[Dated] 5 May 1995

#### **NPC Vice Chairman Meets Japanese Delegation**

OW2305122595 Beijing XINHUA in English  
0855 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Wang Guangying, vice chairman of the Standing Committee of China's National People's Congress, met here this afternoon with a goodwill delegation from the Japanese Urasenkei tea ceremony school led by its grand tea master Soshitsu Sen.

Urasenkei, one of the leading tea ceremony schools in Japan, is influential in Japan.

The visitors arrived here on May 20 as guests of the Chinese Ministry of Culture.

#### **Spokesman Expresses 'Regret' Over Aid Reduction**

OW2405091695 Beijing XINHUA Domestic Service  
in Chinese 0743 GMT 24 May 95

[FBIS Translated Text] Beijing, 24 May (XINHUA) — Foreign Ministry spokesman Shen Guofang today answered a reporter's question on the Japanese Government's reduction of its aid to China.

[Reporter] What is the Chinese Government's view on the Japanese Government's announcement on reducing its free aid to China during fiscal 1995?

[Shen] We would like to express regret over the Japanese Government's recent announcement on reducing its free aid to China during fiscal 1995 on account of China's nuclear test.

China has always adopted an attitude of great restraint on the issue of nuclear tests. China favors the complete prohibition and thorough destruction of nuclear weapons. It has long undertaken not to use or threaten to use nuclear weapons against nonnuclear-weapon states and nuclear-free zones. In addition, it has actively participated in talks in connection with a comprehensive nuclear test ban treaty. China has stated on many occasions that it will stop nuclear tests after the treaty takes effect.

We have always opposed the politicization of economic issues, and the linkage of economic cooperation with political issues as a way to exert pressure. The Japanese side's practice is unwise and unfavorable to the healthy development of Sino-Japanese relations.

#### **Near East & South Asia**

##### **Trade With Iran Increases After 1994 Decline**

HK2405091195 Beijing CHINA DAILY in English  
23 May 95 p 5

[By Gao Bianhua: "Sino-Iranian Trade Rebounds"]

[FBIS Transcribed Text] Sino-Iranian trade picked up in the first quarter of this year after a sharp decline in 1994.

According to statistics from the Chinese customs service, bilateral trade registered a 20.2 per cent increase in the first quarter of the year to reach \$88.7 million.

In the breakdown, China exported \$63.2 million worth of products to Iran, up 20.4 per cent from the same period last year. And its imports stand at \$25.51 million, an increase of 19.7 per cent.

Last year, China's trade volume with Iran was \$447 million, much less than the record high of \$713 million in 1993.

"The decrease was caused by some changes in the supply and demand for the trading commodities in the two countries," said Lu Changjin, an official with the Ministry of Foreign Trade and Economic Co-operation (Moftec).

Lu, a deputy division chief at Moftec's Asian Affairs Department, regarded the decline as "normal" in the course of the bilateral trade development.

He explained that Iran cut down its total imports by 60 per cent last year due to economic difficulties; at the same time China reduced imports from Iran.

In 1994, China imported \$80 million worth of rolled steel from Iran, while the figure in 1993 topped \$200 million.

Lu said that China's exports to Iran mainly include machinery and electronics, chemical and light industries products, minerals, cereal and food.

On the other hand, Iran mainly exports crude oil, rolled steel, minerals and dried fruits to China.

The official said that Sino-Iranian trade can be expected to greatly expand if the Teheran subway package contract is implemented well.

The \$573 million deal was signed in March and May respectively between the Teheran Urban and Suburban Railway Company and three Chinese companies: the China North Industries Corp, the China National Technology Import and Export Corp and the China International Trust and Investment Corp.

The three Chinese companies are expected to provide subway trains and equipment as well as ground double-decker passenger trains under the contracts, which will be a significant contribution for the further development of Sino-Iranian trade and economic co-operation, Lu said.

In addition to the subway, he said, China and Iran have also co-operated on projects such as power stations, cement plants, dam designing and fishing.

Lu described the economic co-operation between the two sides as "flourishing" in recent years.

He also said that bilateral trade ties have developed smoothly since the two countries established diplomatic relations in 1971.

The two-way trade has gained a wide growth margin since 1990 when they began to conduct cash trade rather than the previous open account trade, according to Lu.

He said that Sino-Iranian trade has great potential as the two economies are highly complementary: rich resources in Iran, especially oil, are needed for China's

economic construction and China's machinery and electronics are also favorable to Iranian markets.

#### **'Roundup' on Israel Suspending Land Seizures**

OW2305115395 Beijing XINHUA in English  
0922 GMT 23 May 95

["Roundup" by Huai Chengbo: "Suspension of Land Seizures Sets Off Chain Reaction"]

[FBIS Transcribed Text] Jerusalem, May 23 (XINHUA) — Under heavy Arab and international pressure, The Labor-led Israeli Government Monday [22 May] backed down on its decision to expropriate land in east Jerusalem and the bombshell touched off strong reactions both internationally and domestically.

The news was welcomed instantly by PLO Chairman Yasir 'Arafat, who had been under pressure to break off peace talks with Israel over its plan to confiscate some 132 acres of land, which largely belong to local Palestinians.

Egyptian Foreign Minister 'Amr Mahmud Musa hailed the Israeli decision and dismissed charges it was a political ploy.

"As long as the step was taken, we are considering it positively. It is a good step toward the complete cancellation of these expropriations," Musa said.

Jordanian Foreign Minister 'Abd-al-Karim al-Kabariti also welcomed the cancellation.

In response, the Arab League postponed an Arab summit on Jerusalem issue planned for this weekend in Morocco.

The U.S. cautiously welcomed the government's decision, saying it could be helpful.

The State Department spokesman, Nicholas Burns, said Washington had seen only press reports of the move, and wanted a "better understanding" of what it meant.

However, he noted, "We didn't believe that the original decision to confiscate the land was helpful. We thought it posed difficulties. So obviously if there is now a decision to freeze that action it would be helpful."

U.S. officials declined to say whether they had urged Israel to freeze the expropriation. But Burns said, "Obviously we have great interest in this because the United States is deeply involved, heavily, seriously involved in the peace process."

At home, the Meretz Party, the left wing partner of the government, issued a statement expressing satisfaction at the decision, but said "It is a pity the solution had not been reached before the crisis erupted."



Yosi Sarid, Minister of Environment from Meretz, strongly condemned the government's handling of the entire episode as "screwed up and slapdash."

"The most screwed-up thing in this government is its decision-making apparatus," he said. "The government is going in the right direction but insists on stumbling at almost every step."

Housing Minister Binyamin Ben Eliezer, who is a strong supporter of the government's land expropriation plan, said "it's a black day," but nevertheless agreed with the decision of suspension.

But the major opposition party, Likud, raged with anger. Likud Chairman Benjamin Netanyahu said, "the government had to decide between Jerusalem and (Yasir) 'Arafat and chose 'Arafat. The Prime Minister would have won the full support of the opposition had he promised to support the unity of Jerusalem. (Yitzhaq) Rabin easily gave in to every one of 'Arafat's dictates."

Ehud Olmert, Likud Member of Knesset (MK) and Mayor of Jerusalem, called the government "a bunch of defeatists, lacking self-respect and morals — a pack of cowards... [ellipses as received] Nothing would change the fact that (Yitzhaq) Rabin lost his mandate today."

Strong language and accusations also marked the Knesset discussions. Both Democratic Arab Party Chairman and MK 'Abd-al Wahab Darawsha and Hadash (Communist Party) MK Hashim Mahamid spoke of the need for Eastern Jerusalem to become the capital of a Palestinian state.

Both Rabin and Peres stressed that a united Jerusalem would remain the capital of Israel, and said no international agreement — including the Oslo and Cairo accords — involved limiting the development of Jerusalem.

Darawsha, red in the face, shouted at Rabin, "You treat the Palestinians like slaves. We won't support you."

Rabin responded, with a wave of his hand, "Then go and support the Likud."

#### **Jiang Zemin Meets With Syrian Party Delegation**

OW2405081795 Beijing XINHUA in English  
0758 GMT 24 May 95

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — China hopes that all parties concerned will continue their efforts to bring about a complete, fair and everlasting peace in the Middle East as soon as possible.

This remark was made by Chinese President Jiang Zemin, who is also general secretary of the Central Committee of the Communist Party of China (CPC),

during a meeting with a delegation from the Arab Ba'ath Socialist Party of Syria here this morning.

Extending a warm welcome to 'Abdallah Ahmar [spelling of name as received], leader of the delegation and assistant general secretary of the Arab Ba'ath Socialist Party, Jiang said that China consistently supports the just struggle of the Syrian and other Arab peoples.

"We are very pleased to see comparatively great progress being made in the peace process in the Middle East recently. To realize peace in this region will not only conform to the fundamental interests of the people of that region but also benefit world peace and stability as a whole," he said.

Jiang noted that bilateral relations have grown rapidly since China and Syria established diplomatic ties 39 years ago.

After the two parties set up their relationship in 1986, he said, their friendly contacts have been growing constantly, thus furthering the all-round development of the ties between the two countries.

Ahmar said that Syria highly values the just stand that China has always taken on international affairs, and the peace process in the Middle East in particular.

He reaffirmed Syria's consistent position on this issue, saying that he hoped that the region would realize complete, fair and eternal peace as soon as possible.

Ahmar expressed his satisfaction with the growth of bilateral relations in the political and economic aspects.

He said that "I am sure that, with joint efforts, the friendly ties between the two countries and the two parties will become better year by year."

"This is because such relations are in the interests of both the Arab Ba'ath Socialist Party and the Chinese Communist Party, and of the two peoples as well," he added.

During the meeting Ahmar conveyed greetings from Syrian President Hafiz al-Asad to Jiang. In return, Jiang asked Ahmar to convey his best wishes to President Hafiz al-Asad.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, participated in the meeting.

#### **Bangladeshi Official Praises China's Development**

OW2405091995 Beijing XINHUA in English  
0844 GMT 24 May 95

[FBIS Transcribed Text] Dhaka, May 24 (XINHUA) — A high-ranking Bangladeshi official today praised China

for its success in achieving economic development, saying that China is now a fast growing economy with vast potential.

In a statement at the opening ceremony of the 8th Meeting of the Bangladesh-China Joint Economic Commission held here today, Bangladeshi Secretary of Economic Relations Division of the government Lutfullahil Majid [spelling of name as received] said that while the foreign direct investment into China has continued to grow, there has been a rapid expansion of its investment abroad, particularly in the neighboring countries in Asia.

He appreciated the Chinese government for its economic and technical assistance to Bangladesh.

The people and the government of Bangladesh attach high importance to the friendship and cooperation between the two countries in all contexts, he said.

In reply, Li Guohua, visiting Vice Minister of the Chinese Ministry of Foreign Trade and Economic Cooperation, highly appraised the Sino-Bangladeshi friendship and bilateral trade and economic ties.

She said that there has been greater potential in promoting bilateral trade relations and economic cooperation and the two sides should take more effective measures to realize the goal.

The vice minister expressed China's intention to reduce the imbalance against Bangladesh in the bilateral trade, which is approximately 1.395 billion US dollars and hoped the Bangladeshi side will take a realistic and positive attitude to the problem.

A 14-member delegation of Bangladesh led by Majid and a 12-member Chinese delegation led by Li attended the meeting of the Joint Economic Commission which was set up in November 1983.

The Chinese delegation, which arrived here last night, will leave on May 27 after a four-day visit to Bangladesh.

#### **Hu Jintao Meets With Pakistani Leaders**

##### **Hu, Party Head Meet**

OW2305133195 Beijing XINHUA in English  
1307 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Hu Jintao, member of the standing committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with Sheikh Rashid Ahmad, secretary-general of the Pakistan People's Party (PPP), here today.

They had a cordial conversation on enhancing relations between the two parties and two countries.

China and Pakistan are friendly neighbors and their peoples have enjoyed a traditional friendship, Hu said, adding that the two countries have long trusted and supported each other in international affairs and in the construction of their respective countries. "Our friendly ties have survived the test of time and have been steadily strengthened and developed no matter how the international climate has changed," he stressed.

According to Hu, the establishment of the friendly relations between CPC and PPP has opened up a new channel for the friendly exchanges between the two countries and further promoted the smooth development of the bilateral ties.

Hu called Ahmad as "an old friend of the Chinese people", and said Ahmad has contributed a lot to Pakistan-China ties. He said that he is confident that Ahmad's current visit to China will further promote the mutual understanding and friendship as well as the friendly cooperation between the two countries in various areas.

Ahmad said that both Pakistan government and the People's Party show much respect to the CPC, the Chinese government and the Chinese people. The two nations have always helped and cooperated with each other in many fields, he said, adding that the bilateral friendship based on mutual respect and non-interference with each other's internal affairs has gained the approval of all Pakistan people.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee attended the meeting.

This afternoon, Wan Guoquan, vice-chairman of the National committee of the Chinese People's Political Consultative Conference held talks with Ahmad and his party.

Ahmad and his party arrived in Beijing on May 21 at the invitation of the CPC.

##### **Hu Speaks with Delegation**

BK2405091795 Islamabad Radio Pakistan Overseas  
Service in English 0800 GMT 24 May 95

[FBIS Transcribed Text] China is seriously watching the situation in held Kashmir and favors a solution of the problem through a dialogue and in the light of the United Nations resolutions and the Simla Agreement.

This was stated by a member of the Politburo of Central Committee of the Communist Party of China [CPC],

Mr. Hu Jintao, at a meeting with the visiting delegation of Pakistan People's Party [PPP] in Beijing yesterday. Secretary General of PPP Sheikh Rafiq Ahmad briefed the CPC leader at the Great Hall of the People on the situation arising out of the burning of the Charar Sharif Shrine in Indian-occupied Kashmir.

### Sub-Saharan Africa

#### Zhu Rongji, Mauritian Official Sign Air Accord

OW2305145195 Beijing XINHUA in English  
1411 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Chinese Vice-Premier Zhu Rongji today described the outcome of the Fourth Meeting of the Sino-Mauritian Joint Committee for Economic Cooperation and Trade as fruitful.

The meeting, which was held here Monday, will help promote the growth of bilateral economic cooperation and trade, said Zhu, while meeting with his Mauritian counterpart, Pren Nababsing at the Great Hall of the People this afternoon.

Extending a warm welcome to Nababsing, who is also minister of planning and economic development, and his entourage, Zhu said that he was very pleased to note the rapid development of Mauritius' economy over the past several years.

He thanked Mauritius for its support for China on many occasions and briefed the visitors on China's economic development.

Zhu said that China's annual economic growth rate has stayed at 11 percent for the past few years. But, although the whole country is growing in strength, per capita gross national product is still low and the people are not well-off because of the large population.

He emphasized the fact that China is still a developing country and there is much to be done in its national economy, but he expressed the hope that both countries can learn from each other and make up for each other's deficiencies in developing their economies.

Nababsing said that he views his visit to China as a new step in bilateral relations.

After the meeting, the two deputy prime ministers attended a signing ceremony of an agreement between the two governments on air services. The document was signed by Chen Guangyi, director of the Civil Aviation Administration of China, and Nababsing.

The two agreed that the signing will be beneficial to civil aviation management, bilateral economic cooperation, trade, and personnel training.

#### Chi Haotian Meets Namibian Defense Force Chief

OW2305130695 Beijing XINHUA in English  
0751 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Chinese State Councillor and Defense Minister Chi Haotian today met with J.D Hamaambo [name as received], Chief of Staff of the Namibian National Defense Force. They exchanged views on how to strengthen the bilateral cooperation between the two armies.

Welcoming the Namibian guests, Chi expressed his appreciation over the struggle waged by the Namibian people and the army for national emancipation and independence over the past dozens of years and congratulated to him the success they scored.

The current peaceful and stable situation in Southern Africa did not come easily, Chi said, hoping that Southern African peoples continue to make achievement in building their countries.

Chi described Hamaambo's ongoing China visit as a big event in the Sino-Namibian military exchanges. He believed the visit would help enhance the mutual understanding, friendship and cooperation between the two peoples and two armies.

Zhang Wannian, Chief of the General Staff of the Chinese People's Liberation Army held formal talks with his Namibian counterpart Monday [22 May]. The Namibian guests are scheduled to visit Nanjing and Shanghai besides the Chinese capital during their stay in China.

#### Wei Jianxing, South African Governor Discuss Ties

OW2305144195 Beijing XINHUA in English  
1416 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Wei Jianxing, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met with Tokyo Sexwale, governor of Gauteng Province of South Africa, and his party here today.

Wei, also secretary of the CPC Beijing Municipal Committee, said that his city is willing to have economic and technical cooperate with the South African province on the basis of equality and mutual benefit.

Briefing the visitors on the city's situation, Wei noted its great achievements in economic construction over the past decade and more, saying that Beijing is striving to become a modern international metropolis.



## West Europe

### Rong Yiren Meets Portuguese Justice Minister

OW2405093695 Beijing XINHUA in English  
0902 GMT 24 May 95

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — Chinese Vice-President Rong Yiren met Portuguese Minister of Justice Laborinho Lucio at the Great Hall of the People here this morning.

Rong said, China and Portugal enjoyed long-standing relations of friendly cooperation. The frequent exchange of visits by leaders of both sides during recent years has positively promoted the development of friendly bilateral ties. He believed that Lucio's visit to China will help enhance exchanges and cooperation between the two countries in the judicial field.

The vice-president also briefed the Portuguese guests on the situation of Chinese reform and opening up.

Lucio said, the relations between Portugal and China have undergone further development in recent years. "We hope the existing good relations will be further enhanced," he said.

Lucio said that he has seen with his own eyes the achievements in China's reform drive and in legislation during his current visit to China.

The minister said, the European Union (EU) has had good relations with China. As a member state, Portugal has made efforts to help develop China's relations with EU.

Rong expressed his appreciation of Portugal's efforts in helping cement the relations between China and EU.

Xiao Yang, Chinese minister of justice, was present at the meeting.

The Portuguese guests came to China at the invitation of Xiao.

### Jiang Zemin, Turkey's Demirel Sign Two Accords

OW2305135095 Beijing XINHUA in English  
1334 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Chinese President Jiang Zemin and visiting Turkish President Suleyman Demirel held talks here today, exchanging views on bilateral relations, the international situation and regional issues.

Jiang said that Demirel's current visit to China is a "major event" in the history of Sino-Turkish relations which will promote the mutual understanding between the two peoples and the friendly relations and cooperation in all fields between the two countries.

Jiang said that friendly relations between China and Turkey have a long history. The ancient Silk Road opened up the cultural exchanges and trade relations between the two nations, he said.

Since the two countries established diplomatic relations in 1971, Jiang went on, contacts between the two peoples and cooperation between the two countries have been increasing all the time.

He said that both China and Turkey are developing countries and share views on major international issues. He added that both countries are faced with the tasks of developing national economy and improving the living standards of the people. Therefore, he said, the two countries can learn from each other in many aspects.

The president called for joint efforts to further promote the development of bilateral relations. Under the complicated and ever-changing international situation, Jiang said, it is necessary for the two countries to increase their contacts, discussions and economic cooperation. "It is in the interests of both sides and will benefit peace and stability in the region and the world as a whole," he stressed.

Jiang pointed out that Sino-Turkish trade relations have been growing rapidly over the recent years and total trade volume between the two countries reached a record 6 million US Dollars last year.

The fact that President Demirel brings a group of entrepreneurs to China this time and that the two countries will sign an agreement on the avoidance of double taxation shows the importance attached by the two sides to the development of their economic and trade ties as well as to the development of the potential of such ties, Jiang said.

Jiang hoped that entrepreneurs of the two countries strengthen contacts and find out new products to trade and new ways for economic cooperation.

He also said that the Chinese government takes a positive attitude towards the development of the cultural exchanges between the two countries.

Demirel, who is in China for the first time, said that China is a big country which has worldwide influence and Turkey hopes to further strengthen the friendly relations and cooperation with China in all fields and is willing to increase discussions and cooperation with China in international affairs.

Demirel expressed admiration over the achievements China has made over the past 15 years.

Demirel invited Jiang to visit his country and Jiang accepted the invitation.

After the talks, the two presidents attended the signing ceremony of two documents between the two countries.

The documents signed were an agreement on the avoidance of double taxation and prevention of tax evasion between the two countries and an executive plan between the two governments for 1994-96 cultural exchanges.

Demirel arrived here this morning for a five-day state visit at the invitation of Jiang.

Before the talks, Jiang presided over a ceremony at the Great Hall of the People to welcome his guest.

In the evening, Jiang hosted a banquet in honor of Demirel and his party.

#### **Wu Bangguo Meets British Financier 23 May**

*OW2305122395 Beijing XINHUA in English  
0831 GMT 23 May 95*

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Chinese Vice-Premier Wu Bangguo met here today with Sir Adrian Swire, chairman of Swire Group of Britain.

Swire and his party are here as the guests of the China International Trust and Investment Corporation.

### **Latin America & Caribbean**

#### **NPC Vice Chairman Meets With Chilean Senator**

*OW2205080195 Beijing XINHUA in English  
0700 GMT 22 May 95*

[FBIS Transcribed Text] Beijing, May 22 (XINHUA) — Wu Jieping, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with Chilean senator Miguel Otero Lathrop at the Great Hall of the People here today.

Wu and Otero had a friendly conversation on issues of common interest.

Otero, who arrived here May 20, was also scheduled to visit southwest China's Chengdu and Lhasa.

#### **Reportage on Visit by Colombian Trade Minister**

##### **Meets Wu Bangguo**

*OW2205090295 Beijing XINHUA in English  
0829 GMT 22 May 95*

[FBIS Transcribed Text] Beijing, May 22 (XINHUA) — Chinese Vice-Premier Wu Bangguo met with visiting

Colombian Minister of Foreign Trade Daniel Mazuera Gomez and his party at the Great Hall of the People here today.

The Colombian minister arrived here Sunday [21 May] at the invitation of Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi.

##### **Talks With Wu Yi**

*OW2305131895 Beijing XINHUA in English  
0701 GMT 23 May 95*

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Chinese Minister of Foreign Trade and Economic Co-operation Wu Yi held talks here this morning with visiting Colombian Foreign Trade Minister Daniel Mazuera Gomez, and they exchanged opinions on issues of common concern.

Wu said, through joint efforts, Sino-Colombian trade has seen further development during the past few years, with last year's bilateral trade volume standing at 47.56 million US dollars-worth, an increase of 89.1 percent over the year before.

The figure for the first quarter of this year was 12.1 million US dollars-worth, representing a 139.2-percent rise over the same period of last year.

Briefing Gomez on China's foreign investment policy, Wu said that China's central and western areas, which enjoy a vast territory, rich resources and abundant labor, welcome investment from Colombia.

Gomez said Colombia is actively strengthening economic and trade relations with the Asia-Pacific region, including China, and that Colombia is ready to develop close co-operative relations with China in economy and trade. It is also interested in bilateral technological co-operation, he added.

Gomez and his party came to China May 21 as guests of Wu to attend the fourth session of the joint economic and trade committee of the two countries.

## Political & Social

### Further Reportage on Dissident Activities

#### More on Jiang Qisheng Arrest

HK2305082295 Hong Kong AFP in English  
0804 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (AFP)—Beijing dissident Jiang Qisheng, one of the signatories of two petitions calling for greater democracy here, was arrested on Tuesday, his wife said.

Zhang Hong told AFP two police officers took her 47-year-old husband from their house at around 2.40pm (0640 GMT).

Twelve dissidents are now known to have been detained or gone missing in the past eight days in the run-up to the sixth anniversary of the June 4 crushing of the Tiananmen Square democracy movement. Each year the anniversary brings a new clampdown on opponents of the communist government.

Police told Zhang Hong they were going to take her husband to a police station in the Haidian area of northwest Beijing to talk about June 4, she said.

Jiang played an active role in the 1989 democracy movement in Beijing. He was arrested in September 1989 and spent 18 months in prison.

Jiang has been unemployed since leaving prison in 1991. A graduate of the Beijing Institute of Aeronautics, Jiang was preparing for a doctorate in philosophy in Beijing when the Tiananmen Square demonstrations started.

Last year he was detained on May 28 and only released again on July 11. His wife said no explanation was ever given for the detention.

The first in the current wave of arrests came after the release of a first petition on May 15 calling for the release of political detainees and greater democracy.

Jiang had signed the appeal with 44 other leading intellectuals and dissidents. The petition, written by Beijing professor Xu Liangying, 75, called for the release of Tiananmen Square leaders still in jail and greater political freedom.

The second, which Jiang also signed, was an open letter to the Chinese parliament, reportedly signed by more than 50 intellectuals and dissidents.

#### Jiang Qisheng Rearrested 24 May

HK2405095295 Hong Kong AFP in English  
0940 GMT 24 May 95

[FBIS Transcribed Text] Beijing, May 24 (AFP)—Chinese dissident Jiang Qisheng was rearrested Wednesday, a few hours after being released from police detention as part of a clampdown on the pro-democracy opposition, his wife said. Zhang Hong said by telephone that the two police officers who took her husband away Tuesday, returned to the couple's home around 2.30 pm (0630 GMT) and drove him to the local police station. "My husband only had time to rest for a short while at lunchtime," she said adding that she did not know whether he would be released again later in the day.

Twelve dissidents are now known to have been detained or gone missing in the past eight days in the run-up to the sixth anniversary of the June 4 crushing of the Tiananmen Square democracy movement. Each year the anniversary brings a new clampdown.

Jiang Qisheng, 47, played an active role in the 1989 movement in Beijing. He was arrested in September 1989 and spent 18 months in prison. Jiang has been unemployed since leaving prison in 1991. A graduate of the Beijing Institute of Aeronautics, Jiang was preparing for a doctorate in philosophy in Beijing when the Tiananmen Square demonstrations started. Last year he was detained on May 28 and only released again on July 11. His wife said no explanation was ever given for the detention.

The first in the current wave of arrests came after the release of a first petition on May 15 calling for the release of political detainees and greater democracy. A veteran pro-democracy activist, Sha Yuguang, was arrested late Tuesday by Beijing police targeted by the authorities ahead of the anniversary of the Tiananmen Square massacre, a rights group said earlier Wednesday. Sha, who took part in the 1978-9 Democracy Wall movement, was one of 14 people who drew up an open letter to the Chinese parliament, calling for a law to protect human rights. The letter was eventually signed by 56 dissidents.

#### Two More Detained 23 May

HK2405090195 Hong Kong SOUTH CHINA  
MORNING POST in English 24 May 95 p 10

[By Daniel Kwan]

[FBIS Transcribed Text] Police yesterday detained at least two more dissidents who were signatories to a daring appeal to the party demanding tolerance of differing opinions.



Shao Qinghui, wife of Christian activist Xiao Biguang, was released after she was detained briefly for two hours last night.

"They took me to the Haidian District Public Security Bureau and asked me about the petition," Ms Shao told the South China Morning Post.

"They said they wanted to know who organised it and the details of the plan. I told them that I can't remember and then they asked me to go home to think about it and they will come back," she said.

"I am worried about my personal safety now. They have been tailing me for the past week and there are still people watching over me.

"They showed me a summon certificate from the Haidian Public Security Bureau but that does not give any reason for the investigation," Ms Shao said.

Her husband, who was taken by Beijing State Security officials more than a year ago, remains in jail on charges of fraud.

Activist Jiang Qisheng was taken from his Beijing home by police officers yesterday. He had not been released by early today.

"They said he might be returned home after a talk," Jiang's wife, Zhang Hong, said.

"This is too much," she said. "It's unclear why he was detained. They should at least say which law he broke. But they said nothing and just took him away.

"They should not always use June 4 as an excuse to detain people," she said.

Jiang, 47, was held for six weeks in 1994 before the June 4 anniversary. A former postgraduate student at Chinese People's University, Jiang was the fourth petition signatory to be detained in the past few days in a round-up of dissidents police fear may create trouble around the anniversary of the crackdown.

The petition, signed by 45 leading academics and political activists, was sent last week to President Jiang Zemin to demand the release of all those jailed for their part in the 1989 student-led demonstrations for democracy.

Jiang Qisheng was not allowed to return to his postgraduate studies after being jailed for 17 months for counter-revolutionary crimes for his role in the protests.

Another dissident signatory, Wang Dan, jailed for four years as a leader of the 1989 demonstrations, has threatened to go on a hunger strike to protest against his detention.

Police and his family were unable to confirm yesterday whether the 25-year-old had begun the strike, which he had pledged to do in a letter released yesterday by the New York-based group Human Rights in China.

"I'm worried for his health," Wang's mother, Wang Lingyun, said. "I brought food over to the police station because he would not eat the police food. But when I went again the second day, the food from the first day was untouched."

His mother said Wang was transferred elsewhere late on Monday. His whereabouts were not known.

A spokesman for the Xinjiekou police station said he had no knowledge of where Wang had been taken or whether he was on hunger strike.

Police boost security in Beijing each year in the weeks leading up to the June 4 anniversary.

#### Police Arrest 13th Dissident

*HK2405060495 Hong Kong AFP in English  
0530 GMT 24 May 95*

[FBIS Transcribed Text] Beijing, May 24 (AFP)—A veteran pro-democracy activist, Sha Yuguang, was arrested late Tuesday by Beijing police, becoming the 13th dissident to be targeted by the authorities ahead of the anniversary of the Tiananmen Square massacre, a rights group said Wednesday. In a parallel move, three intellectuals were also questioned by police, while two other dissidents were released after being interviewed, dissident sources said.

In a fax received in Beijing, the New York-based group Human Rights in China said Sha, 45, had been taken away by three policemen with an arrest warrant around 9:00 p.m. (1300 GMT) on Tuesday. Sha, who took part in the 1978-9 Democracy Wall movement, was one of 14 people who drew up an open letter to the Chinese parliament, calling for a law to protect human rights. The letter was eventually signed by 56 dissidents.

Three other signatories of this document were picked up by police and questioned for several hours on Tuesday, sources said. They were Bao Zunxin, 56, a former researcher at the Institute of History at the Chinese Academy of Social Science, Wu Xuecan, a former journalist at the Communist Party's People's Daily, and Gou Qinghui, a former teacher at a religious seminary in Beijing.

Since May 16, police have detained nine people linked to the pro-democracy campaign and four others have been reported by friends and relatives as missing, as part of an annual crackdown on dissidents ahead of the June

4 anniversary of the Tiananmen Square killings. Of the 13, 11 are still in police custody or still missing.

Human Rights in China said that Chen Xiaoping, a 30-year-old law professor, who disappeared in Beijing last week, was freed after being questioned for more than 10 hours by the police. A dissident picked up on Tuesday, Jiang Qishang, 47, told AFP he had been released early Wednesday around 11:30 a.m. (0330 GMT).

**Beijing 'Considering' Long-Term Detentions**

HK2405033895 Hong Kong LIEN HO PAO  
in Chinese 24 May 95 p 1

[Report from Hong Kong by staff reporter: "Beijing Intends To Detain Wang Dan for a Long Time; Wang Xizhe To Be Returned to Guangzhou in the Near Future"]

[FBIS Translated Text] The mainland authorities are considering whether they will detain student leader Wang Dan for a long time, and another dissident Wang Xizhe is to be sent back to Guangzhou in the near future, a well-informed figure in Beijing has revealed.

According to the source, in view of the fact that Wang Dan has made anti-government speeches and contributed articles to the press outside the border on several occasions over the past two years and that he recently joined hands with intellectuals on the mainland to put pressure on the government, the Beijing Authorities are considering whether to detain Wang Dan for several months or even longer, as they did for famous dissident Wei Jinshen.

Wang Dan's mother said yesterday morning that, since Wang Dan was taken away by public security men on the evening of 22 May, more than 40 hours ago, he had refused to eat anything. Wang's mother was very worried about her son's health. Wang Dan's sister also said yesterday that her brother was taken to a police substation in their neighborhood, but the substation did not tell the family where Wang Dan actually was.

With regards to Wang Xizhe, another pro-democracy element who has been "missing" in Beijing of late, a related department in Beijing has already instructed the Guangzhou public security department to take him back to Guangzhou, where he used to live; it was estimated that Wang Xizhe would be sent back to Guangzhou on the eve of the anniversary of the "4 June" incident.

All this has taken place at a time when the U.S. administration has said it will issue a visitor's visa to Taiwan President Li Teng-hui. Beijing is angry about Washington's action, and that explains why it has resorted to "dealing severely with" dissidents within the border to show its dissatisfaction to the United States.

In addition, a Beijing official has said that whether President Clinton's scheduled visit to Beijing in mid-July this year will occur is to be determined by the development of the situation.

**Jailed Journalist Gao Yu on Press Freedom Award**

HK2305132495 Hong Kong HSIN PAO in Chinese  
21 Apr 95 p 31

[Article by Gao Yu (7559 3842): "My Reflections in Prison on Winning the 'Gold Pen of Freedom Award'"]

[FBIS Translated Text] The 48th World Newspapers Conference and the Forum of Chief Editors:

The respectable chairman and executives of the International Federation of Newspapers Publishers:

The respectable representatives to the conference:

When the news reached me in Yanqing Prison, in China's Beijing Municipality, that I had been awarded this year's press freedom prize — the "Gold Pen of Freedom Award" — I was truly happy. Not only is this a honor for me, it is also a honor for us the Chinese people. I wish to extend the most sincere gratitude to you!

As a Chinese journalist serving out my term in prison, it is very unique for me to win such an extraordinary honor, and I am proud of this matter. This is a kind of choice history has made for me; it is a role chosen for me by history. My winning of the award shows the whole world the painstaking and outstanding work done by Chinese journalists, as well as the value of true news in China. Although up to now Chinese readers are still accustomed to reading the positive news in newspapers with negative eyes, and accustomed to not knowing what course to take regarding history, which is being continuously rewritten, I believe that the several million words that I have written over the past 16 years since I began a career in journalism, can withstand the test of history, and will not be rewritten. Precisely because of this, those words are loved by the readers on the mainland, in Hong Kong, Taiwan, and the world.

Finally, through the conference, I wish to express the same gratitude to my friends in Chinese intellectual circles who live in different parts of the world. Precisely because of their unremitting efforts, the just press in the international community knows the entire me as a journalist. It is a traditional virtue of Chinese intellectuals to establish the spirit of doing hard and outstanding work in the face of all odds. The friends who now I miss, who for years have sought a road to China's modernization, who have pondered the role and status of China's intellectuals — they have

played a great role in China's reform, opening up, and convergence with the world's civilized trends, and their role is of the same significance to the development of civilization of all mankind. My news reporting is inseparable from the wisdom and efforts of many of my friends. Our common belief is — honest, sincere, tenacious, and fearless.

Please let me once again express my most sincere gratitude to the conference!

[Signed] Gao Yu, in prison

#### **Article Lauds Imprisoned Mainland Journalist**

*HK2405075495 Hong Kong HSIN PAO in Chinese  
27 Mar 95 p 15*

[Article by Chang Weiguo (1728 0251 0948): "Press Circles in Chinese Mainland Need More People Like Gao Yu"]

[FBIS Translated Text] The World Press Association recently conferred the Award of Freedom Gold Pen on Gao Yu, a well-known journalist in mainland China, who is still being locked up behind the bars of a Beijing prison by the CPC. Gao Yu was found guilty of leaking state secrets and sentenced to six years of imprisonment by a Beijing court last year. She appealed against the court's ruling, yet her appeal was rejected by the Beijing Higher Court and her original sentence maintained.

Anyone with just a little knowledge of the legal system practiced in mainland China would have predicted this outcome. Within the CPC's judicial setup, public and national security organs, procuratorates, and courts all consider themselves, without exception, as the tools of the CPC's dictatorship. Despite the fact that a system of second and final appeals has been incorporated in the Criminal Law, courts at the lower level usually take the initiative, before making any convictions on the cases they are handling, to ask higher-level courts for instructions on the judgment of these cases; in other words, when the defendant appeals for a second hearing, courts at the higher levels are unlikely to make any substantive alterations to the ruling of the first hearing, because such rulings always embrace their own opinions expressed at an earlier stage. That is why people seldom see courts of second appeal make any changes to the ruling of the first hearing. The CPC's legal circles call it by the fine-sounding name of "case-handling quality and efficiency"; however, as a matter of fact, the system of second appeal stipulated in the Criminal Law has already been turned into an ornament decorating the "legal system."

The overruling of Gao Yu's appeal is something to be expected; yet a relevant report by XINHUA, the

mouthpiece of the CPC, is found to contain many inaccuracies. According to the report, Gao Yu leafed through two top secret documents and copied part of their contents in the office of Gao Chao on 15 February 1993; and during the period from January to April 1993, Gao Yu obtained a number of top-secret state secrets from Gao Chao on many occasions, revealed the secrets in her articles, and had the articles published outside China which earned her HK\$800 [Hong Kong dollars—about \$102.60]. There are at least two questions here.

#### **The Whole Trial Was Closed to the Public, and the Truth of the Matter Covered Up**

First, one argument in the report held that it was on 15 February 1993 that Gao Yu leafed through and copied two top-secret documents in Gao Chao's office; however, another argument noted that it was during the period from January to April that Gao Yu revealed in her articles a number of top-secret state secrets obtained from Gao Chao, and had her articles were published in places outside China. These two arguments are self-contradictory in timing, to say the least. Now that Gao Yu is accused of obtaining state secrets from Gao Chao on 15 February 1993, how could she possibly begin to reveal these secrets in her articles and have the articles published? From where did Gao Yu obtain state secrets in January, before approaching Gao Chao? The report failed to give a proper explanation of that. According to the report, all the secrets involved were the "most confidential state secrets"; now that the authorities have already cited the exact date of 15 February, apparently there is no reason for them to leave out the significant evidence of these "most confidential state secrets" altogether.

Second, the report noted that from January to April, Gao Yu revealed state secrets in her articles, and had her articles published in newspapers and magazines issued outside China, which earned her a submission fee of HK\$800. Such an argument can only deceive ordinary people in China who have been deprived of their right to know the truth. Anyone with a little knowledge of the mass media outside China can easily spot flaws in this argument. The submission fee for every article published by Hong Kong newspapers and magazines is usually HK\$300 per 1,000 Chinese characters. Gao Yu's articles were featured by narration interspersed with comment, which usually contained 3,000-4,000 characters, or sometimes more; in this sense, HK\$800 was the submission fee for only one article of hers at most. This "evidence" apparently fails to support the "fact" that she wrote articles for the media outside China many times between January and April.



On what grounds did the authorities believe that Gao Yu gained that HK\$800 from her "articles" which constituted the charge of leaking state secrets? Which articles on earth contained the top secret state secrets that were obtained from Gao Chao? Since the whole trial was not open to the public and the report given by the XINHUA failed to clarify the truth, people cannot help but ask if this is a "fabricated" charge which was trumped up to condemn Gao Yu, or a political trial which aimed to hide a mistake, only to make it more conspicuous?... People can find no explanation to relieve the doubts and misgivings they have in their minds. If the mainland authorities act in accordance with the law, they should have made public the truth of the matter. Seeing that the mainland authorities do not dare to publicize even the court verdict of the case, people cannot but conclude that Beijing has produced another man-made case of injustice.

Compared with reports on the case of Xi Yang, the aforementioned XINHUA report seemed to give no mention of the "consequences" caused by this case; according to the mainland's Criminal Law, however, "consequences" should constitute one of the major conditions involving a crime of leaking state secrets. In view of this, some people suspect that by making use of this case, people in Zhongnanhai have attempted to cut off all the exchange channels between its officials and the outside world. It is known to all that many Hong Kong magazines specializing in political comment usually base their reports about major political issues in the mainland on "information leaks" from Zhongnanhai. Beijing's leaks of information is partly "organizational behavior" to meet the needs of the united front, and partly "factional behavior" to contend for political interests. Of course, there is also "individual behavior" that serves all kinds of purposes. With its authority declining, Zhongnanhai has found it more and more difficult to coordinate relations between the different behaviors, which have begun to conflict with each other and got out of control. This may be a major reason why cases similar to the case of Xi Yang are taking place time and again.

**People at the Top Level Have Taken a Personal Interest in the Trial and No One Is Allowed To Defy the Wishes of Zhongnanhai**

I believe it may be a "fact" that Gao Yu wrote articles for magazines outside China "many times." As far as I know, Gao Yu began to work for the Hong Kong media as a special contributor, or sometimes a special correspondent, as long ago as the early 1980's. At that time, besides working for ZHONGGUO XINWEN SHE and fulfilling a certain number of "tasks", Gao Yu also

worked for JINGJIXUE ZHOUBAO; therefore, writing articles for newspapers and magazines outside China was just a sideline for her. In the wake of the 4 June Incident, however, she, as the deputy editor-in-chief of JINGJIXUE ZHOUBAO, was imprisoned and lost her personal freedom for as long as 15 months. She was later set free, only to find that JINGJIXUE ZHOUBAO and SHUIE JINGJI DAOBAO had been purged and were both forced to close down together with other enlightened newspapers and magazines. After she lost her job, Gao Yu lived in straitened circumstances, for both she and her mother were in poor health. Since that time, Gao Yu had had to, to a certain extent, live on her writing so that she could continue pursuing her career as a journalist. Thanks to her background in the mainland's press circles, her intuitive knowledge as a journalist, and her rich experience and social ties accumulated over years of work, she was able to provide the outside world with a real picture of today's China. Known for her perseverance in writing, she became an activist among the rather small number of freelance contributors in mainland China. To recognise her work as a mainland journalist, the U.S. Freedom Forum Fund conferred an award on her in 1993, while Colombia University also invited her to be a visiting researcher. I believe that is also the reason the World Press Association gave her the Golden Pen of Freedom award recently.

Another reason for the overruling of Gao Yu's appeal is that ever since her case was established on file for investigation, people at the top level in Zhongnanhai have handled the matter personally. This is not only because Gao Chao, an official under the General Office of the CPC Central Committee, was directly involved in the case, but also because leaders such as Jiang Zemin, Li Peng, and Zhu Rongji, who are biased against the press and the media and who consider journalists like Gao Yu as thorns in their flesh, are determined to get rid of those journalists who have an intimate knowledge of the operation of the CPC's systems, who dissent from the views of the present rulers, and who the people in power have found hard to rein in. Despite a lot of mediation carried out for the case, it is highly unlikely that people in charge of concrete trial procedures will dare to disobey the wishes of Zhongnanhai.

What is more, the CPC relies on the Central Commission of Political Science and Law [CCPSL] to ensure that its dictatorship can be carried through with tangible results. Disbanded by Zhao Ziyang after the 13th CPC Congress in the name of political reform, the CCPSL resumed its work in the wake of the 4 June Incident, shortly after the downfall of Zhao Ziyang, and its functions have been reinforced ever since. It is one of the major tasks of the CCPSL to make sure that the wishes

and intentions of party leaders can be materialized and implemented. Therefore, in handling cases like that of Gao Yu, what judges need to do, under most circumstances, is to simply read out the decision of the CCPSL. Mainland political and legal circles have long realized the fact that as long as the CCPSL exists there will never be judicial independence. Judging from this angle, Gao Yu's trial is virtually a political one.

**The Case Has Inspired the Press Circles To Fight for Freedom of the Press, One Stepping Into the Breach as Another Falls**

Recently, I learned the truth about Gao Yu's case from a friend who has an intimate knowledge of things in mainland China: During his days of imprisonment in Beijing, Wang Juntao went on hunger strikes many times to protest the inhumane treatments in CPC prisons, as well as the lawless behavior of the officials who handled his case; as a result, he contracted hepatitis and other diseases. Through her contacts, Gao Yu successfully obtained Wang Juntao's real "medical record" and lab reports. Besides revealing what she had obtained to the public, Gao Yu also tried, through Gao Chao, a classmate who was then working as a departmental head in the General Office of the CPC Central Committee, to reflect Wang Juntao's conditions to the relevant leaders in Zhongnanhai, thus bringing the matter to the attention of the top levels. For a time, Wang Juntao was sent to a hospital for medical treatment, and the CPC dismissed a departmental head of the Beijing Municipal Public Security Bureau who was responsible for handling Wang Juntao's case. The consequences caused were not inconsiderable. After being arrested for his involvement in the case of Yu Zuomin of Daqiuzhuang Village, Gao Chao confessed that he had passed a letter to Gao Yu to reflect Wang Juntao's conditions. With this charge, Gao Yu was put into prison again.

Gao Yu's first arrest after the 4 June Incident was directly linked with her work as a journalist, and it is not hard to imagine what a serious blow it must have meant to someone who has lofty ideals and high aspirations and who is always in pursuit of truth. After her release from prison, Gao Yu resumed her old profession, though both the social and political environments of the country had grown worse than they were before 1989. I believe she could well predict what kinds of risks she was going to take under the situation in the Chinese mainland at that time. Despite the high pressure of the CPC's autocracy and dictatorship, Gao Yu, with the intuitive knowledge of a journalist, made a choice which required extraordinary courage and a strong willpower.

As for information, a journalist has only the obligation to disseminate, not the right to monopolize. In the infor-

mation era, the dissemination of news and information knows no boundaries. More journalists like Gao Yu are needed if the mainland is to reform its press system, smash the shackles on the press, and bring about freedom of the press. It is believed that the explorations and contributions made by Gao Yu have undoubtedly served as an impetus to the progress of China's press freedom. History is not written by those in power in Zhongnanhai, and history is sure to pass a judgment on the sins they have committed in suppressing the freedom of the press.

Today, most people believe that China will undergo increasingly greater changes in the future. I am deeply convinced that Gao Yu will not spend her days behind bars in vain; instead, her imprisonment will make her more mature and will also inspire the mainland press circles to fight for the early awakening of the masses of the people, one stepping into the breach as another falls. I hope that China can make great progress, and that Gao Yu can regain her freedom before completing her six-year sentence. However, to achieve such great progress, more journalists like Gao Yu are needed in the mainland's press circles.

**Jiang Zemin Inspects Eastern Region**

OW2305145695 Beijing XINHUA in English  
1416 GMT 23 May 95

[FBIS Transcribed Text] Shanghai, May 23 (XINHUA) — State-owned enterprises faces both new challenges and new opportunities for development in the process of changing from an old economic mechanism into a new and more rational system, Chinese president Jiang Zemin said.

Jiang Zemin, who is also General Secretary of the Central Committee of the Communist Party of China (CPC) and Chairman of the Central Military Commission, said while making an inspection tour of Jiangsu and Zhejiang Provinces and Shanghai in east China.

Jiang's trip was intended to provide a chance to look into how to make enterprises successful, especially issues concerning reforms and development of large and medium-sized state-owned enterprises.

Efforts must be made to improve the vitality of the state-owned enterprises by way of deepening the reforms and build their new superiority this is the inevitable requirement for developing a socialist market economy and for consolidating the socialist system, Jiang, adding that state-owned enterprises must be made successful and it is entirely possible to make them successful.

During the tour, Jiang inspected 13 different enterprises in Suzhou and Wuxi cities of Jiangsu Province, Shaox-



ing and Hangzhou cities of Zhejiang Province, and the old city proper and the Pudong New Area of Shanghai.

He talked with workers about reforms and development and problems of the enterprises. He made important speeches while being briefed by businesses executives on how to do a good job in state-owned enterprises.

**Qiao Shi Inspects Shaanxi Province 15-21 May**

SK2405022595 Beijing XINHUA Domestic Service  
in Chinese 1907 GMT 22 May 95

[By reporter Qu Shengwen (1448 0524 2429)]

[FBIS Translated Text] Xian, 22 May (XINHUA) — During his recent inspection tour to Shaanxi, Qiao Shi, member of the standing committee of Political Bureau of the CPC Central Committee and chairman of the National People's Congress [NPC] Standing Committee, stressed: It is necessary to rely on the masses, make earnest efforts to do practical things, conscientiously implement central principles, policies, and work plans, realistically strengthen agriculture, accelerate the development of township enterprises, deepen reform of state-owned enterprises, vigorously attend to high-and new-technology industry, and strive to achieve new economic development in Shaanxi.

On 15-21 May, Qiao Shi was respectively accompanied by An Qiyuan, secretary of the Shaanxi Provincial party committee; Zhang Boxing, chairman of the provincial people's congress standing committee; Cheng Andong, deputy secretary of the provincial party committee and governor; and Liu Ronghui, deputy secretary of the provincial party committee, and other comrades, to inspect Shaanxi's work. Qiao Shi visited the Xian high-and new-tech industrial development zone, Xian Yangsen Pharmaceutical Company, Limited, and Dongzhou Village in Sanyuan County. He travelled to plants, workshops, and peasant households to visit workers and peasants, asked them about their production and living conditions, and listened to their opinions and suggestions. In Xian, Qiao Shi listened to work briefings given by the provincial party committee, the provincial people's congress, and the provincial government.

During the inspection tour, Qiao Shi stressed: Generally speaking, the current international environment and domestic situation are very conducive to our construction cause. We must treasure and firmly grasp this hard-earned historical opportunity. He said: Over the past year, Shaanxi Province has achieved new success in economic construction, strengthened the building of spiritual civilization, and witnessed considerable big changes in its outlook. The provincial party committee's guiding ideology for future work is clear and all the measures

it adopted are feasible. Shaanxi is one of the important provinces in Northwest China with rich natural resources, fairly solid industrial basis, strong science and technology education, and very good development potential and prospects. As long as Shaanxi proceeds from reality, conscientiously implements the party's principles and policies, unceasingly deepens reform, and expands opening up, it will achieve greater success in construction and will produce a positive influence on the development of China's Northwest region.

Agriculture is one of the priorities to which Qiao Shi has paid close attention. This year, many localities in Shaanxi have been hit by fairly serious drought. Through the common efforts of governments at all levels and the masses of people, a stable increase in agriculture is within sight; the growing situation of summer crops is quite good; and the total output value of agriculture, forestry, animal husbandry, and fishery all showed increases over the same period of last year. He was very pleased with this. He said: The policies of the CPC Central Committee and the State Council on strengthening agriculture are very clear, and the crucial issue involved now is to exert efforts to implement them and to adopt specific measures to turn these policies into the concrete actions of the broad masses of cadres. Shaanxi has fairly good conditions for agricultural development. We must closely rely on the masses of peasants, realistically implement all measures formulated by the provincial authorities, exert strenuous efforts to grasp the production of basic agricultural products such as grain, and strive to realize high and stable yield. Based on this, we should also gradually industrialize the diversified economy and push it forward.

While touching on township enterprises, Qiao Shi said: Objectively, the central and western parts of China have developed township enterprises quite late. During recent years, Shaanxi has expedited its pace in this aspect and hoped to keep this good trend. The provincial party committee's proposal of further developing township enterprises accords with Shaanxi's reality and its construction needs. In the course of development, it is necessary to pay attention to summing up experience, including drawing experience from the coastal areas, persist in integrating rate with efficiency, and exert greater efforts to quality and efficiency. In Dongzhou Village of Sanyuan County, Qiao Shi was very pleased to see that the living standards of peasants have noticeably enhanced and the village has put on a new outlook through the development of township enterprises. He expressed hope that the basic experience of Dongzhou Village will be gradually popularized in Shaanxi.

On how to successfully run state-owned enterprises, Qiao Shi pointed out: The way out is to deepen reform. In reform of state-owned enterprises, we must have a sense of urgency, grasp it firmly, and must not adopt a wait-and-see attitude, rely on other people, or delay the work. To establish the modern enterprise system, we must proceed from local specific conditions, make bold explorations, be brave in practice, and choose our ways and methods in the course of practice. It is necessary to rely on the masses while blazing new trails and doing work and give full play to their enthusiasm and creativity because the real "Zhuge Liang" is the masses of people. Through years of explorations, we have accumulated some experiences in enterprise reform. At present, while making continued efforts to grasp experiments, we should vigorously popularize in line with reality all experiences that are proved by practice to be correct in orientation, right in the path we choose, and good in effect, and are capable of raising efficiency so that more and more enterprises will improve their outlook through deepening reform.

Qiao Shi also said: In accordance with the strategy of invigorating the country through science and education, we should continue to actively develop high and new-tech industries, popularize the existing good experiences and make Shaanxi give better play to its advantages and potential in this aspect.

The Shaanxi Provincial People's Congress has done much work in legislation, supervision, and giving play to the role of deputies during recent years. In referring to the work of the people's congresses, Qiao Shi stressed the importance of paying attention to and giving play to the role of the people's congresses at all levels. He added: Fundamentally speaking, giving play to the role of people's congresses is an issue of safeguarding and promoting the people's democracy, establishing ties with the masses, and mobilizing the people's enthusiasm. Local party committees should care for and pay attention to the people's congress work, make full use of this organ to listen to the voice of the masses, to amass and reflect the opinions and demands of the masses, and to implement the party's principles and policies. Under the leadership of the party committee, the people's congress should exercise the responsibilities stipulated by law, give full play to democracy, vigorously strengthen the legal system, and conscientiously give supervision in an effort to promote the work in all aspects and the development of reform, opening up, and the modernization construction cause.

During inspection, Qiao Shi also visited all delegates attending the NPC rural work forum which was being held in Xian.

#### Article Views Top-Level Meeting on Party Unity

HK2405080895 Hong Kong CHENG MING  
in Chinese 1 Mar 95 No 209, pp 14-15

[Article by Li Tzu-ching (7812 5261 0079): "CPC Top Echelon Make Show of Unity for Deng's Death"]

#### [FBIS Translated Text] A Story From the Past Where Staying United Against the Enemy Was Given Top Priority

According to Zhang Yufeng's [1728 3768 7685, rumored to have been Mao's mistress in his later years] memoirs, one Saturday in July 1976, Mao Zedong met with several Political Bureau members in a group for the last time. There were seven of them at that meeting, namely, Hua Guofeng, Wang Dongxing, Jiang Qing, Wang Hongwen, Chen Xilian, Ji Dengkui, and Mao Yuanxin. Mao Zedong told them to put unity against the enemy in the first place. He said: Our enemy, at the moment and probably for some time in the future, are against the Great Cultural Revolution. They want to restore the old order. Mao Zedong asked the seven of them to hold each other's hands and sing "Unity Is Strength." Afterward, Wang Hongwen suggested singing another song, "Sailing on the Ocean Relies on the Helmsman." After they had finished singing, Mao wrote: "I am going to count on you lot, plus Zhang (Chunqiao), Wu (De), and Yao (Wenyuan)." (See "Mao Deeply Trusted Only Seven People in His Last Days" in the October 1994 issue of CHENG MING)

That incident shows Mao's belief that after his death, whether or not the successors he had appointed personally would be able to retain the power firmly depended on whether or not they were united. That is why he asked them to, hand in hand, sing "Unity Is Strength." In Mao's opinion, after his death, as long as those 10 people could be united and fight as one against the "enemy" (referring to Deng Xiaoping, Ye Jianying and some others), everything would be all right.

But what was the result?

Soon after Mao's death, two of the group of 10, Hua Guofeng and Wang Dongxing, in alliance with Ye Jianying, made a surprise attack and arrested the other five members of the group of 10: Jiang Qing, Wang Hongwen, Zhang Chunqiao, Yao Wenyuan, and Mao Yuanxin.

Today, the CPC has once again reached a critical period of transferring paramount power. Like Mao Zedong, Deng Xiaoping is most concerned about the unity, or otherwise, of the leadership group that he has personally appointed.

### **20-Character Principle Dominates Enlarged Regular Meeting of the Political Bureau**

On the eve of the Spring Festival, one day after Deng Xiaoping had repeatedly advised Jiang Zemin and his party, who were paying him a New Year courtesy visit, to stay united, the top echelon of the CPC made a show of unity.

On the evenings of 27 and 28 January and the morning of the 29th, the Political Bureau of the CPC Central Committee convened an enlarged regular meeting in the Huairan Hall of Zhongnanhai. The following people attended the meeting: members of the Political Bureau, alternate members, secretaries of the secretariat, state councilors, members of the Central Military Commission, members of the Central Commission for Discipline Inspection and the Central Military Commission Discipline Inspection Committee, the persons in charge of all the military services and arms, and CPC seniors Wan Li, Song Ping, Bo Yibo, Zhang Aiping, Li Desheng, Hong Xuezhai, and Qin Jiwei.

Jiang Zemin, Liu Huaqing, and Wan Li presided over the meeting. The theme of the meeting was a 20-character principle: "Adhere to the party spirit, present problems, clear up misunderstandings, strengthen unity, and continue to move ahead." The meeting went on for two evenings and a morning, a total of nearly 10 hours.

### **Gist of Jiang, Liu, Wan, Song, Hong Speeches**

At the meeting, Jiang Zemin made a speech entitled "Under the Guidance of Comrade Deng Xiaoping's Theory, the Whole Party and the Whole Army Must Strengthen Unity and Stay Highly Aligned."

Liu Huaqing's speech was entitled "The Whole Army Must Continue To Rally Closely Around the Party Center With Comrade Jiang Zemin at Its Core and Strive To Accomplish the Goals Set by the 14th National CPC Congress."

Wan Li's speech was "Maintaining a High Level of Unity and Alignment Within the Party Is the Fundamental Guarantee for the Success of Our Cause."

Song Ping made a speech entitled "Party Members Must Conscientiously Overcome Decentralism, Sectarianism, Mountain- Stronghold Mentality, and Opportunism Which Undermine the Party's Cause."

Hong Xuezhai's speech was entitled "Old Comrades Should Perform Well Their Final Duties for the Sake of Safeguarding the Leading and Commanding Authority of the Party Central Committee and the Central Commission for Discipline Inspection With Jiang Zemin at the Core."

At the meeting, Jiang Zemin, Zhu Rongji, Qiao Shi, Zou Jiahua, Tian Jiyun, Wei Jianxing, Chen Xitong, and Zhang Zhen all made self- criticisms.

### **Political Bureau Members Refusing To Accept Each Other, Other Problems The meeting covered the following six problems and their backgrounds:**

1. The members of the Political Bureau and the State Council have shown a lack of high consistency in implementing formulated and adopted decisions and resolutions. In some cases, issues were discussed but no decision could be made, affecting the extent to which central policies and measures are concretely and effectively implemented.

2. The Central Political Bureau and the Central Military Commission have had many problems regarding army building, the pace of development, the orientation of reforms, and actual implementation. These problems have remained unresolved for a long time.

3. Lack of coordination and convergence between the State Council and the National People's Congress [NPC] Standing Committee in formulating and recommending policies and principles as well as deliberating, formulating, and amending relevant laws has been exposed.

4. Overlapping and overstepping of responsibilities and terms of reference between the central secretariat and the State Council, and between the central secretariat and the NPC Standing Committee has been observed, which has caused conflicts among the party, the government, and the congress.

5. While on inspection tours of various localities, members of leadership at various levels in the Political Bureau, the State Council, and the NPC Standing Committee have shown inconsistency with the resolutions and opinions adopted by the center when they propagate or relay policies and measures concerning reform and development. Such inconsistency has undermined the prestige of the center and aggravated the conflict between the center and the localities.

6. Some Political Bureau members refuse to accept each other and are prejudiced against one another. They inappropriately speak about their personal prejudices when they are with their subordinates. This has caused enormous damage, affected and undermined the authority of the central leadership, and affected the rallying power and appeal of the party.

### **Wan Li on "Six Must's"**

In his speech entitled "Maintaining a High Level of Unity and Alignment Within the Party Is the Fundamen-



tal Guarantee for the Success of Our Cause," Wan Li mentioned six must's. He said: Whether or not we will succeed in building a modernized society of socialism with Chinese characteristics, whether or not our country will maintain and develop sustained stability, and whether or not our party, Army, and people can defeat the invasion of hegemonism and its follower nations basically depends on the fact that the core forces currently leading China's development and evolution, i.e., the Political Bureau, the Political Bureau Standing Committee, the core of the State Council, and the leadership group of the Central Military Commission must not go wrong themselves and cause fluctuations or chaos in the political situation. Comrade Xiaoping once pointed out: The core echelon must not have big problems. If they do, and run into disorder, China's political situation would be even more chaotic than in the former Soviet Union and our history would regress by 10 years or, possibly, even over 40 years.

Wan Li said: High-ranking cadres of the whole party and the whole country must closely rally around the party center with Jiang Zemin at its core; must steadfastly safeguard a high level of unity and alignment in the party central committee and its Political Bureau; must firmly and conscientiously enforce and implement the principles and policies made by the Political Bureau; must firmly and unconditionally enforce and defend the party center's resolutions; must adhere to the party spirit and fight against any behavior jeopardizing the party's unity and its cause; and must at all times consider themselves part of the party collective.

As mentioned at the beginning of this article, when Mao Zedong met with his trusted subjects for the last time he asked them to join hands and sing aloud "Unity Is Strength." That was purely a show of unity, because what happened afterwards proved that they had not been united at all, only that Mao Zedong had failed to see the point.

Now, the recent enlarged regular meeting of the CPC Political Bureau was yet another show of unity put on by the CPC. They failed to recommend or even find a solution to all the disputes and conflicts in the top and core echelons, so they had to put on a show of unity for the whole nation and various political forces around the world, as well as for Deng Xiaoping, to see.

Everybody is waiting to see what this show of unity will lead to.

#### Artists Mark Anniversary of Mao Culture Speech

OW2305154295 Beijing XINHUA in English  
1457 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Famous writers and artists in Beijing say that they feel it is incumbent upon them to turn out more fine works and promote the prosperity of China's literature and art.

At meetings here today to mark the 53rd anniversary of the publication of a famous speech on culture by the late Chairman Mao Zedong, writers and artists said that they agree that the principle of going deep into life and its reality should be upheld.

Mao called on artists to "become familiar with laboring people's lives and get inspiration from real life" in his historic "Speech at the Yan'an Forum on Literature and Art" in 1942.

The speech has since come to be regarded as a milestone in, as well as a guide for, modern Chinese culture.

Earlier today, some 140 noted writers and artists set out on a tour equal in length to the Great Wall (5,000 km) to experience life with farmers and workers at the grass-roots level and gather materials first-hand for artistic creation.

Chinese President Jiang Zemin hailed the initiative by saying "Social life is the only source of artistic creation, and an important way to reinvigorate culture is for artists to plunge into the thick of life."

The participants at the meetings vowed to rally and unite, and make a joint effort at creating excellent works that are "in tune with the great times."

Today's meetings were organized by the China Federation of Literary and Art Circles and the China Association of Writers.

#### Experts Cited on Smoking-Related Harm to Society

OW2405072795 Beijing XINHUA in English  
0650 GMT 24 May 95

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — Despite a record revenue of 55 billion yuan in 1994, accounting for ten percent of the country's total, the Chinese tobacco industry is the cause of more losses than gains, experts say.

In 1988 a three-year study on deaths and economic losses due to smoking, which was conducted by the Chinese Academy for Preventive Medicine and authorized by the Ministry of Public Health, showed that the country loses more than it gains through developing the



tobacco industry, according to Zhang Wenfang, chairman of the China Smoking and Health Association.

Zhang said China is said to be the largest tobacco producing and consuming country in the world. It has more than 350 million smokers, who consume 150 billion cigarettes every year, accounting for 30 percent of the world's total.

The study also showed that the country's direct losses due to smoking in 1989 topped 27 billion yuan-worth, exceeding the year's total revenue from tobacco, which was 24 billion yuan.

It showed that the number of patients with malignant tumors, and cerebral, cardiac and chronic respiratory diseases due to smoking across the country in 1989 reached nearly nine million, and the expenditure directly used in the treatment of these patients was about seven billion yuan, plus a loss of working time worth 2.58 billion yuan.

To lessen the overall loss caused by smoking, experts urged the governmental departments involved to draw up a coordinated development program for tobacco production and smoking control, to take effective steps to control tobacco production and sales.

They also suggested increasing the health taxes on tobacco production, which will be used, in turn, to launch anti-smoking activities.

Zhang noted that China has accelerated the pace of controlling smoking since 1990 and made great progress in publicizing the harm to health from smoking as well as formulating laws restricting smoking.

What is most important in curbing smoking is to educate youngsters to quit smoking, since 90 percent of Chinese smokers pick up the bad habit before they are 20 years old, Zhang said, adding that a recent survey of the male smokers among the middle school students show that the growth rate in the number of young male smokers has reached 50 percent over the past few years.

There are 500,000 people in China who die of diseases due to smoking every year, one death per minute. Experts say that they hope the rate of male smokers above the age of 15 can be kept below 58 percent, and that of female smokers below five percent.

### Science & Technology

#### Song Jian Prefaces White Paper on S&T

OW2305154095 Beijing XINHUA in English  
1456 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — China's policies for and progress in science and

technology over the past three years were the subject of a white paper issued here today.

The first part of the 699-page book entitled "Policy Guidance for China's Science and Technology" deals with the efforts China has made in restructuring its management of science and technology, including encouraging many of the country's scientists and researchers to devote themselves to economic construction and social development, while assigning 100,000 scientists and technicians to concentrate on major research projects of the state.

Also contained in the biannual report are achievements in intellectual property rights, such as the promulgation of laws and regulations on patents, trademarks, copyrights, and technological contracts.

The book gives detailed accounts of major national research plans, such as the "Climbing Plan", or key national basic research programs, long and medium-term hi-tech research programs, and the plan to transfer military technology to the civilian sector.

Zhang Dengyi, secretary-general of the State Sciences and Technology Commission, (SSTC), said that the white paper was designed to make public the government policies and measures on science and technology, and to give an account of experience gained by local governments in promoting reforms in science and technology.

State Councillor Song Jian said in the preface to the book that China should concentrate 80 percent of its research on industry and agriculture, including the industries of transport, energy, and services, to promote the use of scientific and technological achievements and improve productivity.

China published its first white paper on science and technology in 1986.

#### Wu Bangguo Inspects Gansu Nuclear Power Plant

HK2305152795 Beijing ZHONGGUO XINWEN SHE  
in English 1304 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (CNS) — While inspecting Gansu recently, Mr. Wu Bangguo, vice premier of the State Council, visited Factory 404 which is involved in the nuclear power industry. Mr. Wu made an important speech on the development of China's nuclear power industry.

According to "China Nuclear Industry News", Mr. Wu said during his inspection, China is one of the five nuclear powers in the world and China should be self-sufficient in her supply of nuclear fuel. From a long-term point of view, it is important to introduce technologies

from abroad whereas at present, preferential policies should be continued in this sector.

Historical contributions made by the nuclear factory in the development of China's nuclear cause must be affirmed completely, and the future development of the factory will be brought into line with the State's 9th Five Year Plan, said Mr. Wu in response to the working report on Factory 404's nuclear industry.

#### **'Successful' 'Plasma Discharge Test' Reported**

OW2405063495 Beijing XINHUA Domestic Service  
in Chinese 2113 GMT 14 May 95

[By reporter Ou Zhengtao (0260 2973 3447)]

[FBIS Translated Text] Hefei, 15 May (XINHUA) — Following a successful joint test, the HT-7 large superconducting thermonuclear fusion device has undergone another successful plasma-discharge test that has given rise to a stable high-temperature plasma. The device, the largest of its kind by present world standards, was recently developed by the Plasma Physics Institute of the Chinese Academy of Sciences [CAS], Hefei Branch, through extensive cooperation with other countries. The test signifies that development of the HT-7 device has moved from project installation to physical testing and experimentation, thus laying the groundwork for converting the system into a large fusion research device that is among the world's finest.

Development of the HT-7 device, which has attracted international attention, is considered yet another major achievement scored by our country in basic research, following the positron-electron collider, the heavy-ion accelerator, and the synchrotron radiation accelerator. At present, only four countries in the world possess similar technologies and devices.

Huo Yuping, CAS academician and Plasma Physics Institute director, said: Controlled thermonuclear fusion is considered mankind's future leading energy source, as well as one of China's prospective energy sources in the next century. Using superconducting magnetic technology to run high-temperature, steady-state plasma experiments to solve key fusion-reactor technological problems is currently a matter of great interest in the world's nuclear-fusion field. Seizing the opportunity afforded by the policy of opening up, the Plasma Physics Institute cooperated extensively with other countries, taking three years time to develop the HT-7 large nuclear-fusion research system that was used in the latest research effort. The system is composed of China's largest practical superconducting subsystem, as well as low-temperature, pulse-source, vacuum, and control subsystems. This large device successfully underwent a joint test in December 1994.

Following the successful joint test, science researchers and engineers at the Plasma Physics Institute ran a plasma-discharge test between February and early March 1995 and found a continuous-functioning model that ensured the nonstop operation of low-temperature refrigeration systems. They also put a 120-megawatt alternator into normal operation and regulated the waves of a Tokamak heated magnetic field and those of electric power generated by a magnetic field in equilibrium. The experiment produced a stable 150-kiloampere high-temperature plasma electric current that carried very few foreign substances. The discharges lasted 300 milliseconds, with a wave pattern displaying a high degree of repeatability.

It is reported that following their success, science researchers and engineers at the Plasma Physics Institute plan to upgrade and transform the HT-7 device into a next-century experimental device of fairly high international standards that will directly contribute to research aimed at finding new energy sources in China and the rest of the world.

#### **Investment Aimed at Protecting Ozone Layer**

HK2305071195 Beijing CHINA DAILY in English  
22 May 95 p 2

[By Liu Yinglang: "Funds Aim to Reduce Ozone Layer Damage"]

[FBIS Transcribed Text] China's first investment project aimed at protecting the global ozone layer has been commissioned to the Tianjin Polyurethane Plastics Factory.

It's the first enterprise in the country which has achieved results of phasing out ozone depleting substances by using the Montreal Protocol Multilateral Fund.

Developed countries will stop the use and production of chlorofluorocarbons (CFCs) and halon after 1996, which means China will then become the largest producer and consumer of ozone depleting substances in the world.

The Tianjin plastics factory will substitute carrene for CFCs in the flexible foam production project.

This indicates to the international community that the Montreal Protocol funding mechanism in ozone layer protection in China has achieved its expected result, according to Wang Yangzu, deputy administrator of China's National Environmental Protection Agency (NEPA).

Since China became part of the Montreal Protocol in 1991, it has tried to lower production and consumption of these harmful chemicals.

For the past five years, China has introduced \$65 million in international funds to invest in more than 100 projects that help reduce the production and consumption of ozone depleting substances.

With help from the United Nations Development Programme, the World Bank and the United Nations Industrial Development Organization, the projects are expected to phase out 28,000 tons of ozone depleting substances such as chlorofluorocarbons.

The Tianjin project is the first that has successfully eliminated the use of CFC-11 as the foaming agent in the manufacture of flexible polyurethane foams through conversion to alternative technologies.

#### **Computer Network To Link Nation's Medical Sector**

OW2305131795 Beijing XINHUA in English  
0707 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — China will set up an electronic information network covering the country's medical sector.

The project, called Golden Health, aims to construct an information super-highway linking health administration departments, hospitals and medical education and research institutes, using computer and telecommunications technology.

Chen Minzhang, minister of public health, said recently that the network is crucial to improving the country's medical management and services and promoting information exchanges.

According to him, the design and selection of equipment will be finished within this year.

About 20 large hospitals will be linked and will install health card systems by the end of this year.

The network will be expanded to cover the whole country beginning in 1997.

Chen revealed that, in a bid to build the massive network, the Ministry of Public Health has started a long-term partnership with the Software Service Company, the Electronic Data Systems Corporation, and the Engineering Construction Giant Fluor Corporation.

After completion, the project will set up a data bank, providing the latest information for the authorities.

It will be able to offer remote diagnosis, video conferences and remote operating instructions to medical staff in villages and remote areas.

The government hopes to spread the use of unified health cards and medical insurance cards through the network.

#### **Scientific Studies of Antarctica Reported**

OW2005092095 Beijing XINHUA in English  
0842 GMT 20 May 95

[FBIS Transcribed Text] Shanghai, May 20 (XINHUA) — China has attached increasingly greater importance to scientific research with regard to the South Pole as part of its efforts to help protect global environment.

"People must study the South Pole if they care about the future of themselves and the earth," Dong Zhaoqian, head of the Shanghai-based Polar Research Institute, said today.

Chinese scientists developed a plan to study the South Pole half a century ago, but they could not carry out the plan until the 1980s. In 1981, the National Antarctic Research Committee of China was set up. In 1984, a 142-member research team was dispatched to conduct studies of the South Pole and South Atlantic for the first time and set up the Great Wall Research Station on George King Island, China's first research station there. To date, China has conducted 11 scientific research projects in the Antarctic. It set up its second research station — Zhongshan — in 1988.

Over the last decade, Chinese scientists have studied glaciology, atmospheric physics, geo-physics, biology, medicine and mineral resources in the locality.

At the same time, China conducted widespread cooperation with international communities and has become an important member of the International Council of Scientific Unions. Moreover, China has established long-standing relationships with the United States, Japan and Uruguay in the field.

So far, China has set up more than a dozen institutes related to the research of the Antarctic. Among them, the China Polar Research Institute has conducted studies of material balance in glaciers, the role of ice formation and physical quality of snow layers, and has set up laboratories in the field. About 80 papers produced by the institute have drawn global attention. The Polar Research Institute of China has become one of the world's most influential in the field.

#### **Commentator on Science as 'Primary Productive Force'**

OW2205183995 Beijing XINHUA Domestic Service  
in Chinese 0310 GMT 14 May 95

[XINHUA commentary: "Comprehensively Implementing the Concept That Science and Technology Constitute the Primary Productive Force"]

[FBIS Translated Text] Beijing, 14 May (XINHUA) — At the 1978 National Science Congress, Comrade Deng



Xiaoping put forward the famous thesis that science and technology were productive forces, and expounded comprehensively the important role of science and technology in expediting the modernization drive. In the 1980s, Comrade Deng Xiaoping further pointed out: "Science and technology constitute the primary productive force." The series of expositions by Comrade Deng Xiaoping on science and technology are the creative development of the Marxist theory on science and technology and on productive forces.

Deng Xiaoping's [no "Comrade" as received] concept that science and technology constitute the primary productive force is an important component of the theory of building socialism with Chinese characteristics; it is the guiding ideology for work related to science and technology in the new era. In the more than a decade since reform and opening up, the party central committee and the State Council, guided by Deng Xiaoping's concept on science and technology, have formulated a whole series of principles and policies on work related to science and technology. China has actively and comprehensively advanced reform of the science and technology management system, conducted multidirectional scientific and technological cooperation and exchange with foreign countries through various channels, and formulated strategic plans on science and technology in the new era in the course of reform and opening up, thereby bringing about historic changes in work related to science and technology.

As our science and technology management system is undergoing changes to a new system in keeping with the reform of a socialist market economy and with the law governing the development of science and technology, new mechanisms for integrating science and technology with the economy have taken shape. The strategic focus of science and technology has shifted to national economic construction, making significant contributions to promoting economic and social development, building up the comprehensive national strength, and raising the people's living standards. In recent years, we have scored achievements in carrying out a large number of high-level science and technology projects, continuously expanded the ranks of scientific and technical personnel, and conspicuously built up its strength in science and technology. The national economy has become more and more reliant on science and technology.

Meanwhile, we should notice that the concept that science and technology constitute the primary productive force has not been implemented comprehensively: there exist many unfavorable elements in systems, organizations, and ideas that impede the integration of science and technology with the economy; a large number of enterprises are still devoid of the motive force for relying

on scientific and technological advances for improving internal management; the rate of converting scientific and technological research results and of applying scientific and technological advances to practical use is relatively low; the irrational structure of science and technology departments, redundant institutions, and decentralized resources—which were set up under the old system—are still visible; and a system of investing in science and technology by various sectors of society has not taken shape, and excessive low input remains. These obstacles and problems on the road of advance have seriously hindered the development of science and technology as well as the economy; they merit close attention and must be dealt with seriously.

From now until the mid-21st century will be a crucial historical period for realizing the three-step strategic goal of China's modernization drive. To comprehensively implement the concept that science and technology constitute the primary productive force is the key to achieving this gigantic goal.

In substantially liberating and expanding the productive force of science and technology, it is imperative to deepen reform of the science and technology management system, to fully harness the enthusiasm and creativity of scientific and technical personnel at large, and to mobilize all sectors of society to promote scientific and technological advances in all fields.

In comprehensively implementing the concept that science and technology constitute the primary productive force, it is imperative to persist in making education and science and technology the foundation for economic and social development. We should build up the national strength in science and technology, raise the whole nation's level of science and technology and of culture, and push forward economic development through advances in science and technology and improved quality of the entire work force. This major shift in China's economic and social development strategy will greatly enhance the quality and level of productive forces, boost productive forces, and accelerate the pace of realizing national prosperity.

### Military & Public Security

#### **XINHUA Cancels Item on Ren Jianxin Donation to Soldier**

OW2405014995 Beijing XINHUA Domestic Service  
in Chinese 0806 GMT 23 May 95

[By correspondent Tang Jianguo (0781 1696 0948);  
Beijing XINHUA Domestic Service in Chinese at 1317



GMT and 1431 GMT on 23 May transmits two identical service messages canceling the following item]

[FBIS Translated Text] Beijing, 23 May (XINHUA) — "Guarding the national flag is a noble job, and the work of soldiers who guard the national flag is very hard. Now that Tao Weige, son of the national flag, is ill, we all should show our concern for him." On the afternoon of 22 May, Ji Shuli [4694 2885 3810], deputy secretary of the party committee of the Supreme People's Court organs, visited the Tiananmen National Flag Guards, bringing with him a donation and best regards from Ren Jianxin, member of the CPC Central Committee Secretariat and president of the Supreme People's Court.

Ji Shuli also brought with him more than 7,000 yuan donated by the nine vice presidents of the Supreme People's Court and cadres of its organs.

The donation drive was initiated by the Beijing Donghuren neighborhood office and conducted among some state organs, municipal government organs, business concerns, and secondary and primary schools in the area. After the media reported that Tao Weige, "son of the national flag," still thought about the national flag and showed a fervent love for life even though he was seriously ill, people in the neighborhood responded strongly. They said the son of the national flag is also a good son and good brother. Their proposal to help Tao triggered a widespread response among various units in the neighborhood. To express their concern for the loyal guard, cadres and staff members of the State Council Counsellors' Office, the Ministry of Public Security, the Ministry of Metallurgy, and the Beijing Municipal Government donated money, and delivered donations to the neighborhood office. Other units, businesses, and secondary and primary schools in the neighborhood also responded enthusiastically. Within a few days, the office received donations of more than 67,000 yuan.

It has been learned that, by 22 May, people of all walks of life had donated 250,000 yuan to Tao.

#### Law on Reserve Service Officers

OW2305164595 Beijing XINHUA Domestic Service  
in Chinese 2131 GMT 11 May 95

[FBIS Translated Text] Beijing, 12 May (XINHUA) — The Law of the PRC on Reserve Service Officers

(Adopted by the 13th Meeting of the Eighth National People's Congress Standing Committee on 10 May 1995)

Table of Contents

Chapter I. General Principles

Chapter II. The Source and Selection of Reserve Service Officers

Chapter III. Job Grades and Duties of Reserve Service Officers

Chapter IV. Ranks of Reserve Service Officers

Chapter V. The Registration and Enlistment of Reserve Service Officers

Chapter VI. The Training of Reserve Service Officers

Chapter VII. The Remuneration of Reserve Service Officers

Chapter VIII. The Retirement of Reserve Service Officers

Chapter IX. Legal Responsibilities

Chapter X. Appendix

#### Chapter I. General Principles

Article 1. This law is formulated to establish a sound system of reserve service officers, to perfect the state system for mobilizing the armed forces, and to strengthen the building of national defense reserve forces; and pursuant to the Constitution and the conscription law.

Article 2. The reserve service officers referred to in this law are reserve service personnel who are graded in jobs at the platoon level and above in the People's Liberation Army [PLA], or at the primary level and above in specialized technical jobs; who are conferred with the appropriate ranks of reserve service officers; and who have registered with the conscription office.

Article 3. In accordance with the nature of jobs, reserve service officers are divided into military officers, political officers, logistics officers, and specialized technical officers.

Based on the needs of peacetime management and wartime mobilization, reserve service for officers shall be divided into two categories: officers holding a post in reserve service forces or preassigned to an active-duty post are the first-category reserve service officers; and other officers are the second-category reserve service officers.

Article 4. The PLA General Political Department shall be in charge of the management of reserve service officers nationwide under the supervision of the State Council and the Central Military Commission [CMC].

The political departments of military regions, provincial military districts (garrisons), and military subdistricts (garrisons) shall be responsible for the management of reserve service officers in their own regions.

The people's armed forces departments of counties, autonomous counties, cities without districts, and districts under cities (hereafter referred to as the county people's

armed forces department) shall be responsible for the actual management of reserve service officers in their own administrative regions.

**Article 5.** The State Council's relevant departments and local people's governments at various levels shall ensure a good job in the management of reserve service officers in accordance with the division of duties and functions, and pursuant to the provisions of this law and other relevant laws and regulations.

**Article 6.** To help ensure good management of reserve service officers, the work units of reserve service officers shall support them to take part in military training and to perform military and other conscription duties.

**Article 7.** Reserve service officers shall abide by the Constitution, laws and statutes, as well as the relevant military rules and regulations; take part in military training and military service activities and undergo political education to enhance their organizational and command capability and professional skills; and be ready to enlist in active duty at any time.

**Article 8.** The state shall, by law, protect the legitimate rights and interests of reserve service officers.

Reserve service officers are entitled to the rights resulting from their service as reserve service officers in accordance with this law, and to the appropriate remuneration prescribed by the state.

**Article 9.** Reserve service officers who make outstanding contributions while performing conscription duties shall be cited, given merit citations, or conferred with honorific titles in accordance with the CMC's relevant regulations.

Units which achieve outstanding results in work on reserve service officers shall be commended or rewarded in accordance with the relevant regulations.

## **Chapter II. The Source and Selection of Reserve Service Officers**

**Article 10.** Reserve service officers shall be selected from among the following personnel:

- (1) Officers released from active duty and cadres holding civilian jobs;
- (2) Privates released from active duty;
- (3) People's armed forces cadres and militia cadres;
- (4) Graduates of nonmilitary schools of higher learning; and
- (5) Other citizens who meet the basic requirements for reserve service officers.

**Article 11.** Reserve service officers shall meet the following basic requirements:

- (1) They must be loyal to the motherland and abide by the Constitution and laws and regulations.
- (2) They must obey orders and the chain of command.
- (3) They must meet the age requirement for officers' reserve service as prescribed in this law.
- (4) They must be released from active duty, or have received specialized military training and passed the evaluation test, and be equipped with the knowledge of science and culture, organizational and command capability, or professional skills commensurate with their jobs.
- (5) They must be in good physical health.

**Article 12.** Plans for selecting reserve service officers shall be decided by the CMC and executed by the PLA General Political Department in coordination with the relevant departments.

**Article 13.** Reserve service officers, who are to be selected from among officers released from active duty and cadres holding civilian jobs in accordance with the provisions in Article 10 of this law, shall be referred to by the political organ of PLA units at and above the regiment level in an opinion for transferal to officers' reserve service; and, after approval by the competent authority in accordance with the regulations, shall complete the registration for reserve service officers at the county people's armed forces department in a locality where the reserve service officers shall be assigned.

Reserve service officers to be selected from among personnel other than those prescribed in the preceding paragraph shall be handled according to the following procedures:

- (1) They must be recommended by grass-roots people's armed forces departments or work units according to plans and requirements set by higher authorities.
- (2) They must be candidates selected, examined, and approved by the county people's armed forces department.
- (3) They must receive training organized by training units.
- (4) They must be examined and approved by the competent authority.
- (5) They must complete the registration for reserve service officers at the county people's armed forces department.

### Chapter III. Job Grades and Duties of Reserve Service Officers

Article 14. Job grades of reserve service military, political, and logistics officers shall be established at the division, deputy division, regiment, deputy regiment, battalion, deputy battalion, company, deputy company, and platoon levels.

Job grades of reserve service specialized technical officers shall be established at the senior specialized technical, intermediate specialized technical, and junior specialized technical levels.

Article 15. Personnel approved to serve in reserve duty as officers shall receive a job grade.

Personnel released from active duty and transferred to officers' reserve service shall be graded in jobs by the authority in charge of appointing and removing active-duty officers at the corresponding job level.

Personnel serving in officers' reserve service other than those prescribed in the preceding paragraph shall be graded in jobs by the competent authority according to the following provisions:

(1) The grading of jobs for officers at the division and senior specialized technical levels shall be decided by the principal leader of units at the military region level.

(2) The grading of jobs for officers at the regiment and intermediate specialized technical levels shall be decided by the principal leader of army-level units having the authority to appoint officers to and remove them from jobs.

(3) The grading of jobs for officers at and below the battalion and junior specialized technical levels shall be decided by the principal leaders of division-level units having the authority to appoint officers to and remove them from jobs.

Article 16. Reserve service officers holding a post in reserve service forces or preassigned to an active-duty post shall be appointed to or removed from jobs by the competent authority according to the following provisions, except for jobs graded according to the provisions of Article 15 of this law:

(1) Officers at the battalion level and above, and at the senior, intermediate, and junior specialized technical levels shall be appointed to or removed from their jobs according to the provisions in paragraph three of Article 15 of this law.

(2) Officers at the company, deputy company, and platoon levels shall be appointed to or removed from jobs by the principal leader of regiment-level units

having the authority to appoint officers to and remove them from jobs.

Article 17. Reserve service officers shall be evaluated on their job performance. The work of evaluation shall be planned and carried out by the unit to which reserve service officers belong, or by the conscription office in coordination with the local departments concerned, pursuant to the relevant state regulations, and according to the division of duties and functions. Evaluation results shall be used as an important basis for appointing and removing reserve service officers from jobs.

Article 18. Grading, appointments, and removals of jobs of reserve service officers shall be processed according to procedures prescribed by the CMC.

### Chapter IV. Ranks of Reserve Service Officers

Article 19. The following eight ranks in three categories of ranks are established for reserve service officers:

(1) Reserve service general: reserve service major generals;

(2) Reserve service field officers: reserve service senior colonels, colonels, lieutenant colonels, and major colonels; and

(3) Reserve service junior officers: reserve service captains, lieutenants, and second lieutenants.

Article 20. Ranks of reserve service officers are divided into the following:

(1) Reserve service military, political, and logistics officers: reserve service major generals, senior colonels, colonels, lieutenant colonels, major colonels, captains, lieutenants, and second lieutenants; and

(2) Reserve service specialized technical officers: reserve service specialized technical major generals, senior colonels, colonels, lieutenant colonels, major colonels, captains, lieutenants, and second lieutenants.

Ranks of navy and air force reserve service officers shall be preceded by "navy" or "air force."

Article 21. Ranks shall be conferred on reserve service officers according to the grade of their jobs.

Ranks shall be conferred on reserve service military, political, and logistics officers according to their jobs:

Division-level jobs: reserve service senior colonels and major generals;

Deputy division-level jobs: reserve service colonels and senior colonels;

Regiment-level jobs: reserve service colonels and lieutenant colonels;



Deputy regiment-level jobs: reserve service lieutenant colonels and major colonels;

Battalion-level jobs: reserve service major colonels and lieutenant colonels;

Deputy battalion-level jobs: reserve service captains and major colonels;

Company-level jobs: reserve service captains and lieutenants;

Deputy company-level jobs: reserve service lieutenants and captains; and

Platoon-level jobs: reserve service second lieutenants and lieutenants.

Ranks shall be conferred on reserve service specialized technical officers according to their jobs:

Senior specialized technical-level jobs: reserve service specialized technical major generals, senior colonels, colonels, lieutenant colonels, and major colonels;

Intermediate specialized technical-level jobs: reserve service specialized technical senior colonels, colonels, lieutenant colonels, major colonels, and captains; and

Junior specialized technical-level jobs: reserve service specialized technical lieutenant colonels, major colonels, captains, lieutenants, and second lieutenants.

Article 22. Evaluation and conferment of ranks on reserve service officers shall be based on their job grades, political integrity and ability, and actual work performance.

Article 23. Conferment of ranks on reserve service officers shall be approved by the competent authority according to the following provisions:

(1) Reserve service major generals and senior colonels shall be approved by the CMC chairman;

(2) Reserve service colonels shall be approved by the principal leader of units at the military region level;

(3) Reserve service lieutenant colonels and major colonels shall be approved by the principal leader of army-level units having the authority to appoint officers to and remove them from jobs; and

(4) Reserve service captains, lieutenants, and second lieutenants shall be approved by the principal leader of division-level units having the authority to appoint officers to and remove them from jobs.

Article 24. Ranks of officers and civilian cadres transferred to reserve service shall be decided according to their original ranks in active duty or civilian job grades.

Article 25. Reserve service officers shall receive promotion in ranks according to the following provisions:

(1) When an officer approved to be released and transferred to reserve service completes the required length of service and meets the conditions for promotion, he shall receive one rank higher in reserve service than his former rank on active duty.

(2) When, due to promotion in job grade, the rank of a reserve service officer is lower than the lowest rank authorized for the new job grade and rank, he shall be promoted ahead of time to the lowest rank commensurate with the new job.

(3) When a reserve service officer completes the required length of service and meets the conditions for promotion, he can be promoted rank-by-rank from reserve service second lieutenant to colonel within the scope of the authorized size of job grades and ranks.

(4) Promotion from reserve service senior colonel to major general shall be on a selective basis.

(5) A reserve service officer who makes outstanding contributions while serving conscription duty shall be promoted ahead of time in reserve service officer's rank.

The condition, length of service, and procedures for promotion in ranks of reserve service officers shall be prescribed by the CMC.

Article 26. Promotion in ranks of reserve service officers shall be approved by the competent authority according to the following provisions:

(1) Promotion from reserve service senior colonel to reserve service major general and from reserve service colonel to reserve service senior colonel shall be approved by the CMC chairman;

(2) Promotion from reserve service lieutenant colonel to reserve service colonel shall be approved by the principal leader of units at the military region level;

(3) Promotion from reserve service major colonel to reserve service lieutenant colonel and from reserve service captain to reserve service major colonel shall be approved by the principal leader of army-level units having the authority to appoint officers to and remove them from jobs.

(4) Promotion from reserve service lieutenant to reserve service captain and from reserve service second lieutenant to reserve service lieutenant shall be approved by division-level units having the authority to appoint officers to and remove them from jobs.

Article 27. When a reserve service officer violates military discipline, he shall be disciplined and demoted in rank pursuant to the CMC's relevant regulations. The limits of authority for approving demotion in rank of



reserve service officers shall be the same as those for approving their promotion at the same rank.

Demotion in reserve service officers' ranks shall not be applicable to reserve service second lieutenants.

Article 28. When a person is deprived of his status as a reserve service officer, his reserve service officer's rank shall be canceled. The limits of authority for approving the cancellation of reserve service officer's rank shall be the same as those for approving the conferment at the same rank.

Article 29. When a reserve service officer commits a criminal offense, and is deprived of political rights or sentenced to three or more years in prison according to the law, his reserve service officer's rank shall be canceled. The limits of authority for approving the cancellation of reserve service officer's rank shall be the same as those for approving the conferment at the same rank.

Article 30. When a reserve service officer retires, he shall retain his reserve service officer's rank, which shall be preceded with the word "retired."

Article 31. Epaulets and symbols of reserve service officers, and the way to wear them shall be promulgated by the CMC.

#### **Chapter V. The Registration and Enlistment of Reserve Service Officers**

Article 32. The registration of reserve service officers shall be handled by the county people's armed forces department.

Personnel released from active military duty and approved to be transferred to officers' reserve service shall report to the local resettlement department to complete reserve service registration for officers; while other personnel shall complete the registration upon receiving the approval to be transferred to reserve service.

Reserve service officers-select, who work for a state organ, social organization, enterprise, or institution, shall complete reserve service registration at the county people's armed forces department where the work unit is located; while other reserve service officers-select shall complete the registration at the county people's armed forces department where they have registered permanent residence.

Article 33. When a reserve service officer needs to change the location of his reserve service registration because of job transfer or change of residence, he shall be required to complete the moving-out formalities, as well as the moving-in formalities at the local county

people's armed forces department within 30 days after arriving at the new job or moving into the residence.

Article 34. A reserve service officer shall have his reserve service registration canceled by the county people's armed forces department under one of the following circumstances:

- (1) Resigning from reserve service;
- (2) Leaving the country to take up permanent residence abroad;
- (3) Death; and
- (4) Being deprived of his status as a reserve service officer.

Article 35. The county people's armed forces department shall conduct annual verification of reserve service officers registered in the administrative region, count the number at each level, and report them to higher authorities.

Article 36. Upon receiving an enlistment notice, reserve service officers shall report for duty at the designated time and location; those who cannot be enlisted for the time being because of sickness or injury can, with the verification by the county people's armed forces department and the approval of the conscription office at the next higher level, have the enlistment temporarily deferred.

#### **Chapter VI. The Training of Reserve Service Officers**

Article 37. Personnel selected to be reserve service officers, who never served on active duty nor have special military training, shall receive special military training before they are assigned a job grade as a reserve service officer.

Article 38. While serving reserve duty, reserve service officers shall receive military training and political education pursuant to the provisions of the conscription law and this law.

Article 39. In times of need, the State Council and the CMC can decide to conduct emergency training of reserve service officers, who then must undergo emergency training in accordance with the regulations.

Article 40. The military training outlines and political education plans for reserve service officers shall be drawn up by the PLA General Staff, Political, and Logistics Departments.

Article 41. The training of reserve service officers holding a post in reserve service forces or preassigned

to an active-duty post shall be planned and conducted by units to which the officers belong; while the training of other reserve service officers shall be planned and conducted by the conscription office. The work units of reserve service officers and relevant departments of the local people's government should render assistance to the training.

#### **Chapter VII. Remuneration of Reserve Service Officers**

Article 42. The actual results in performing conscription duty by reserve service officers shall be used by their work unit as one of the criteria for promotion in job and wage grades; those who perform meritorious service or are conferred with a honorific shall be entitled to rewards and preferential treatments commensurate with those given by the central and local governments.

Article 43. When taking part in military training and performing military duty, reserve service officers shall wear the prescribed uniform; when taking part in celebrations of the National Day, the Army Founding Day, or other major occasions, they can wear the reserve service officers' standard uniform decked with epaulets and symbols designating their ranks in reserve service.

Article 44. When reserve service officers who work for a state organ, social organization, enterprise or institution take part in military training and perform military duty, they shall continue to receive the same wages, bonuses, and other benefits.

When reserve service officers other than those prescribed in the preceding paragraph take part in military training and perform military duty, they shall be given subsidies for losses of work time; and specific procedures and standards for the subsidies shall be worked out by the provincial, autonomous regional, and municipal people's governments.

When reserve service officers take part in military training and perform military duty, they shall be given meal allowances and reimbursed for round-trip travel expenses, pursuant to state regulations.

Article 45. Reserve service officers who take part in military training and complete the prescribed training tasks shall be given appropriate allowances based on their job grades. The standard of allowances shall be worked out by the Finance Ministry and the PLA General Staff, Political, and Logistics Departments; and the funds needed for this purpose shall be guaranteed by the central government budget.

Article 46. Reserve service officers sacrificing their life or becoming disabled by injury inflicted while taking part in military training and performing military

duty shall be taken care of, pursuant to the state regulations on compensation and preferential treatment for servicemen.

#### **Chapter VIII. Retirement of Reserve Service Officers**

Article 47. Reserve service officers shall retire from reserve service duty when they reach the age ceiling for peacetime reserve service.

Article 48. The age ceilings for reserve service military, political, and logistics officers in peacetime are: 55 for jobs at the division level; 55 for jobs at the regiment level; 50 for jobs at the battalion level; 45 for jobs at the company level; and 40 for jobs at the platoon level.

With approval, the age ceiling for a small number of reserve service officers, who are indeed needed at work, can be extended as deemed necessary in peacetime; but it should not be extended by more than five years.

Article 49. The age ceilings for reserve service specialized technical officers in peacetime are: 60 for senior specialized technical jobs; 55 for intermediate specialized technical jobs; and 50 for junior specialized technical jobs.

Article 50. Reserve service officers who cannot continue service because of disability from sickness or injury or other reasons before reaching the age ceiling for peacetime shall retire from reserve service duty.

Article 51. The limits of authority for approving retirement of reserve service officers shall be the same as those prescribed in paragraph three of Article 15 of this law.

#### **Chapter IX. Legal Responsibilities**

Article 52. When a reserve service officer violates discipline while taking part in military training and performing military duty, he shall be given disciplinary sanctions pursuant to the CMC's relevant regulations; where a crime is committed, he shall be charged with criminal responsibility according to the law.

Article 53. A reserve service officer, who refuses or evades registration and military training and does not mend his ways after education, shall be forced to perform his conscription duty by the local people's government.

When a reserve service officer refuses and evades enlistment or military training to a serious extent in wartime, he shall be charged with criminal responsibility.

Article 54. Whoever accepts bribes and engages in malpractices for selfish ends in the management of

reserve service officers, or whoever causes serious losses to reserve service work as a result of dereliction of duty which constitutes a crime, shall be charged with criminal responsibility. Where a crime is not committed, the individual concerned shall be given disciplinary sanctions.

Whoever obstructs reserve service officers from taking part in military training and performing military duty or other conscription duties shall be ordered to be corrected by the local people's government. Where an individual refuses to mend his ways, personnel directly responsible for the individual shall be given disciplinary sanctions.

#### Chapter X. Appendix

Article 55. This law is applicable to personnel released from active duty in the Chinese People's Armed Police Corps to serve in the PLA officers' reserve service.

Article 56. This law shall enter into force on 1 January 1996.

**\*Article Views Information Superhighway, Military**  
95CM0182A Beijing GUOFANG [NATIONAL DEFENSE] in Chinese 15 Feb 95 No 2, pp 7-8

[Unattributed article edited by Wang Shengrong (3769 3932 2837): "The Information Superhighway and Military Communications"]

[FBIS Translated Text] The so-called "information superhighway" is a high-speed information transmission network composed of the integration of various types of technologies. Through fiber optic telecommunications or satellites it links together different computer users, utilizing terminal equipment such as fax machines, televisions, and computer terminals, with the same convenient and rapid transmission and information handling as using the telephone, thereby bringing into full play the common sharing of information resources. The emergence and form of the information superhighway did not occur by chance; it is based on the development of fiber optic cables and information technologies and has come into being in the wake of the development of an information-driven society and as a result of the comprehensive evolution of information technology.

The plan for an "information superhighway" was first proposed by the Americans. On 15 September 1993, the U.S. Government announced that "the United States will implement an information superhighway" plan that will involve the long term alteration of the lives, work, and ways of interaction between the American people." When President Clinton entered the White House, he immediately set about implementing a plan that will cost more than 100 billion dollars. A commentary in the French newspaper LE MONDE notes that: "As for Pres-

ident Clinton, this plan is of the same importance as the space program was in President Kennedy's time." The U.S. proposal immediately elicited a response from several developed countries, such as Japan, Britain, Canada, and Singapore, which one by one indicated that they wanted as rapidly as possible to establish information superhighways. Japan has decided to invest \$95 million to implement a new program called the "ministerial research information network," to establish a high-speed data network. The British SUNDAY TIMES reported that "the British Telephone Company and satellite and television companies are all competing to get in on the action in this area that will transform the way people live." Canada's "information superhighway" plan over the next decade will cost 750 million Canadian dollars, and on 25 January 1994, Canada announced it would conduct the first major test, demonstrating the arrival of Canada's new electronic era. Singapore's "information superhighway" plan has already entered the proving phase, and the people running this country's national computer department note that "the budget outlay will reach \$1.25 billion, and the so-called "national information basic infrastructure" overall plan will transform Singapore into an "knowledge capable island."

The "information superhighway," as a new signpost of the Information Age, will not only bring with it a comprehensive increase in information science and technology, promotion of economic development of society, the increase of its level of information, the improvement of people's quality of life, and the promotion of scientific and technological progress, but will also inevitably have broad, profound, and far-reaching effects on such things as the military communications and transport industries.

#### I. The Influence and Meaning of the Information Superhighway for Military Communications

1) The current digitalized armed forces and battlefield requirements for military communications using the information superhighway.

Looking at the history of war among humankind, it can be said that we have experienced such war patterns and forms as "wars fought man against man," "wars fought with weaponry," firepower wars," and "three-dimensional wars," while at present we are entering into the era of "information wars." This is primarily due to the so-called "digitalization of war," as modern day combat, through C<sup>3</sup>I [command, communications, control, and intelligence] systems, takes wartime information (written material, data, sound, images, etc.) and converts it into computer code, so that between various types of combat systems and a variety of combat platforms, a single digitalized command, communications,



control, and intelligence system is formed, and achieves operational goals using its high speed and efficiency.

The emergence of "digitalized war" has produced a serious challenge to traditional military communications and transportation.

In the wake of the increase in the mobility of armed forces, future warfare will feature rapidly changing conditions, with times between campaigns and battles shortened and the mobility of the armed forces greatly increased, making transport supply and evacuation times short, with frequent shifting. Under these conditions, time on the battlefield will appear especially important, and if there is a slight delay, this could create losses in transport efficiency. For this reason, it will be necessary within very short periods of time and under extremely complex conditions to complete troop deployments and readjustments, and large amounts of personnel and materials will have to be replenished. Arduous missions such as dispersing and shifting forces must race against time, striving for speed, and the speed will be determined by the speed with which information is obtained. Hence if various aspects of the information can be grasped in a timely and rapid manner, this will make it possible to ensure the timeliness of transport, and an information superhighway for obtaining information will supply a guarantee in terms of time. Hence, through an information superhighway, no matter where the position or time, all people will be able to use computers or two-way television, and using an information superhighway structured around satellites and fiber optic communications for obtaining the required information, will be able to ensure the supply of strategic decisions for transport.

2) The characteristics of military communications and transport are very suitable for use with an information superhighway.

The process of organizing military transport is in essence an "information flow" process, from the drafting of a military transport plan, the personnel-cargo loading during the transport process, to movement, changing stations, changing trains, through transport, etc., these all use various types of information for carrying out overall guidance and adjustment. Hence, the organization of military transport must focus on the use of an information superhighway.

An information superhighway has major significance for military transport dispatching work. During military transport dispatching, various departments must communicate with higher levels, and must coordinate with local transport departments. In the process of conducting this work there is a large quantity of information flowing, and the traditional use of the telephone and

telegraph as a method for transmitting information is not suitable for the requirements of the information age. Therefore, focusing on the use of information superhighway technology becomes necessary to increase the level of command. Military communications and transport work is also an activity which cuts across and touches on a variety of areas and straddles the work of various departments, externally touching on a number of departments such as railroad, communications, post and telecommunications, and airlines, and internally is related to armed forces and military factory units. In addition, there must be information interchanges between people, between means of transport, and between people and means of transport, and this also must fully utilize an information superhighway.

3) The information superhighway can substantially change and increase the efficiency between national communications and transport and military communications and transport.

At present, there are people who say that communications and transport have achieved very limited efficiency, and there are crowding and blockages which seriously affect efforts to increase and give full play to communications and transport efficiency. In particular, China's communications and transport seriously restrict development of the national economy. This situation naturally is an objective fact, but in reality we also have not yet found an effective method for solving this problem, and the emergence and application of the information superhighway concept will provide those people searching for ways to improve and increase transport efficiency with a method for making a breakthrough. With information technology entering the realm of communications and transport through the application of electronic information technology, it will be possible to establish a comprehensive integrated communications and transport system.

When it comes to information technology serving the needs of communications and transport, the following major areas can be included: 1) electronically controlled traffic direction shifting facilities; 2) the use of traffic information frequency channels to improve traffic communications; 3) on the basis of an information highway, the development of individual and unit communications guidance systems; 4) shifting communications; and 5) a satellite communications and navigation system.

The result of the application of information in communications and transport is marked. For example, highway transport at present is still a major transport method for China and for the country's military. Improving highway transport communications methods will make it possible to avoid traffic jams and early on obtain sig-

nals for preventing traffic accidents. The level of traffic transport efficiency to a very large degree hinges on the degree of information contact between the various types of traffic, and an information superhighway will integrate the various types of transport into a whole and can greatly improve the transport picture.

The various types of traffic communications methods developed on the basis of an information superhighway will greatly increase traffic efficiency. For example, the integrated use of traffic information frequency channel transmission, a traffic communication system based on a radio data system with real practical significance, individual traffic guidance technology based on implementation of a road marker system, and a satellite navigation system for serving ship management would greatly increase the efficiency of communications and transport.

In China, questions such as devoting great effort to developing an "information superhighway" and increasing communications and transport efficiency have special significance, because China's economic base is comparatively weak and not too much can be put into basic construction of the communications and transport infrastructure. It is also not possible to construct even more roads, build more bridges, and construct even more hubs, or purchase or research and develop even more vehicles, boats, and aircraft, in the manner of such developed countries as the United States. We must solve the "bottleneck" problem associated with China's communications and transportation systems, or from another angle, we should jump out of this communications and transport circle and seek a new way of thinking. For example, China could establish a fully equipped traffic information forecasting system, and in this way reduce the communications and transport volume and increase efficiency, which would be of great benefit. According to forecasts by specialists, using multimedia interaction on the information superhighway can reduce traffic passenger flows by 30-50 percent, and they also say that the efficiency of our communications and transport could increase by a corresponding percentage.

The rapid strides made by China's telecommunications technology have laid an excellent foundation for development of China's information superhighway. China has already established a satellite telecommunications network that covers the entire country and uses advanced technology. Satellite ground stations spread over various regions already have opened close to 8,000 international circuits, which can directly establish communications links with 48 countries and regions and indirectly link up with more than 190 countries and regions. In addition, China's telecommunications technology uses early 1990s advanced digital technology and on satellite communications trunklines uses digital switch/digital re-

peater technology, which greatly increases the quality of China's communications. In addition, in China, telephones and computers are becoming more and more common, and the conditions are more and more ripe for the establishment in China of an information superhighway. If an information superhighway is developed in China, this will correspondingly promote China's communications and transport industries.

## **II. The Inspiration of the Age of the Information Superhighway for China's Military Communications and Transport Construction**

Facing the daily widening use of the information superhighway in various businesses and industries, military communications and transport departments must face reality, grasp the opportunity, meet the challenge, take information technology as the cutting edge, and in a thorough manner conduct transformations and hook-ups with regard to every aspect of communications and transport, in order to make the development of military communications and transport capable at an early date of riding on the "information superhighway."

1) The concept of information in strengthening military communications and transport command.

The obtaining, transmission, utilization, and handling of information not only permeates military communications and transport departments, transport methods, and various transport links, but also has a substantial role in increasing the capacities and quality of military communications and transport. From a systems science viewpoint, in a certain sense, military communications and transport is an ordered dynamic process involving passenger and cargo flows, energy flows, and information flows, and the direction of passenger flows, cargo flows, and energy flows is controlled and commanded by the information flow. In terms of the military communications and transportation system, the six major key elements forming the military communications and transport system are: the loading machine system, the passenger and cargo flow system, the road network system, the transport organization system, the management system, and the information system, which are all in an integrated manner dispatched, commanded, and arranged via the information system. Information systems, being proficient at using information to organize military communications and transport, not only constitute the overall "nervous system" of military communications and transport, but also become a "multiplier" for increasing the capacities of military communications and transport. For this reason, mastering capabilities and levels of utilization of information resources has become the key to peacetime and wartime organization of military communications and transport activity, and we must strengthen

the position and function of information in organizing military communications and transport and must take information as an important resource comparable to manpower, material power, and financial power, which can also be utilized, analyzed, and planned. As long as this is the case, it will be possible to handle military communications and transport work in an even better manner.

2) Steadily persisting in the development of a military communications and transport information management system.

In recent years, information technology has been used to a certain degree in China's military communications and transport management and organization, and from the drafting of plans and management of various types of receipts to the organization of business production, all these have mature information management system software. But the military communications and transport system is an open system, which externally involves the overall development of the national economy and other economic departments and armed forces units, and internally has many points, long lines, and covers a wide area, hence whether the efficiency of information exchange is good or bad directly effects military communications and transport. For this reason it is necessary to have an integrated plan and develop goals, and existing software and equipment must be gradually improved and revised, and for areas not yet opened we must set about doing investigations and study and progressively develop these areas. It is even possible to link comprehensively in a network the various transport means of the military, and share resources. This will be beneficial to the rapid development of an integrated transport system for the military and could push China's military communications and transport organization management gradually words information-based management.

3) Using information technology to restructure means and facilities of transport.

The conditions for the large-scale manufacture and production of advanced means of transport are not yet ripe, and national conditions do not allow us to do too much in the way of new development

and production, but an intelligent reorganization of existing means of communications and transport is an approach that will produce twice the result with half the effort. Recently, the pace of development of China's telecommunications technology has been quite high, and our telecommunications technology is well developed, providing the conditions for the information-based restructuring of communications and transport. We must grasp this golden opportunity and accelerate the intelligent restructuring of the military's means and facilities of communications and transport. We must develop intelligent cars, an intelligent road system, intelligent vessels, and an intelligent port system. This will lay a certain foundation for the development of our military's communications and transport.

4) Appropriate increases in putting into service new systems and strengthening telecommunications network building.

Military communications and transport involves many points, long lines, and a wide area, and various types of complex conditions can occur at the same time at many sections of railroad or highway and at many transport hubs. In this case it is necessary to be able to rapidly understand the situation and resolve problems, and one must establish a rapid communication-links safeguarding system, linking up higher and lower levels, and linking line to line, to rapidly take effective preventative measures. In this way it will be possible to increase the rapidness, initiative capability, and foresight of military communications and transport. However, strengthening telecommunications network building requires a certain economic input, and we must draft special fund standards, appropriately increase input, and engage in a certain degree of replacement and restructuring of existing facilities to make China's military communications and transport information system capable of going from the simple to the complex, from low level to high level, from partial to complete progress towards development, and genuinely increase the military communications and transport management command level, thereby greatly increase the military and economic effectiveness of military communications and transport.



### General

#### Communiqué on 1994 Labor Developments Issued

OW2405014795 Beijing Central People's Radio  
Network in Mandarin 2230 GMT 13 May 95

[From the "News and Press Review" program]

[FBIS Translated Text] In a recent communiqué on labor service developments in 1994, the Labor Ministry and the State Statistical Bureau noted: In 1994, our country made significant progress in labor services. Nationally, 614.69 million people were employed in 1994, of which 148.49 million were urban workers. The unemployment rate in urban areas was 2.8 percent. In 1994, the average income for urban workers across the country was 4,538 yuan, up 34.6 percent or 7.7 percent after it was adjusted for price increases.

The income gap between workers in different regions, sectors, and units widened further. Nationally, 13 localities officially announced local minimum monthly wages to guarantee workers' rights and interests in obtaining basic labor remuneration. By the end of last year, moreover, 13 provinces, autonomous regions, and municipalities directly under the central government had implemented provincial-level old-age pension schemes, and 11 central departments had put into practice industry-specific old-age pension schemes. Calculated on the basis of gross domestic product, 1994's social productivity rose by 9.5 percent over the preceding year.

#### Development of Personnel Markets Viewed

OW2405055595 Beijing XINHUA Domestic Service  
in Chinese 0252 GMT 13 May 95

[Article by correspondent Huo Xufeng (7202 2485 5358): "The Weal and Woe of Personnel Markets"]

[FBIS Translated Text] Beijing, 13 May (XINHUA) — According to statistics of relevant departments, the number of operating personnel markets around the country has reached 1,145 and that of personnel exchange organizations under government personnel departments has grown to 2,546 in the past 10 years. By 1993, over 1.7 million people had registered with such organizations for a change of job, and 565,000 of them have fulfilled their wishes. Experts maintain that the development of personnel markets in China has promoted the rational allocation of capable personnel and other production factors, pushed the deepening of personnel system reform, and played an important role in liberalizing and developing productive forces.

At present, the development of personnel markets in China has surpassed the original intention of early personnel markets, and the markets are developing in depth. According to experts, there are three major characteris-

tics in the overall situation of China's personnel markets: First, an embryonic form of personnel markets has taken shape. The establishment of China's first personnel exchange center — Shenyang City Personnel Exchange Service Center — in 1983 marked the inception of personnel exchange in China, and it has played a certain role in promoting such exchanges. In terms of quantity, China has had an abundance of personnel markets. From the perspective of policies, the state has acknowledged that individuals have the right to choose their own occupations or to hire people; two-way choices of personnel are possible now. Second, personnel exchange centers under various provincial personnel departments/offices have monopolized personnel markets around the country. Although a number of personnel flow centers not run by government personnel departments have emerged, they are in a supplementary and relatively secondary position. Third, nongovernmental personnel markets have mushroomed. Sino-foreign joint ventures are also participating in the building of the personnel market. Recently, Beijing held a national personnel exchange fair for foreign-funded enterprises, with satisfactory results.

Nevertheless, there are also many worrisome problems in personnel markets which restrict rational personnel flow and affect the sound development of the markets. First, personnel markets throughout the country are badly cut up by departments and regions, and a nationwide information exchange network has not been set up. Objectively, regional protectionism exists. Second, legislation for personnel flow is not complete. Although personnel flow is now encouraged in China, a set of complete laws, rules, and regulations is still not available to promote and protect personnel flow. Third, there are differences in people's identification and their household registrations. The existing disparities between urban and rural areas and in wage scales have barred some idle well-trained scientific and technical workers in society from being employed by state-run enterprises or units in urban areas, either because they have no diplomas or because they have no household registrations in the cities; therefore the problems of their household registrations and wage standards can hardly be solved. The present mainstream in China's personnel markets is only a kind of simple and primary exchange without coordinated management. As a personnel expert put it, the mechanism for personnel markets has not been formed, and the development level of personnel markets still falls short of the need for economic development. On one hand, we have not trained many people, and we even have a serious shortage of people; on the other hand, our employment of personnel is not flexible, which causes overstaffing or a waste of talent. The principal problem facing us is that there is

a shortage as well as a surplus of personnel, and the management of personnel flow is in a state of chaos.

Then how can personnel markets get out of this predicament? Experts maintain that we must make greater efforts at reform and must direct the personnel flow to the market. Some experts in personnel markets say personnel flow does not mean brain drain. Only by relying on the invisible hand of the market and by supplementing various state personnel policies can we make the best use of capable personnel out of personnel flow. The gratifying thing is that China has worked out and implemented a strategy for cultivating and developing personnel markets: realizing the exercise of the right to two-way choices and gradually breaking up the restrictions of household registration, housing, and cadre identification on personnel flow; reforming the state's unified assignments of jobs to university and college graduates and promoting the system of allowing graduates to choose occupations on their own; formulating rules for arbitrating disputes over personnel flow and establishing an arbitration mechanism for such disputes; and formulating a set of rules and regulations governing personnel markets. A more perfect system for personnel flow and personnel markets will take shape in the country during the Ninth Five-Year Plan period.

Looking forward to the future of the construction of personnel markets, we can expect the emergence of a grand and multi-level personnel market that opens in all directions.

#### **Industrial Efficiency Remains Low**

*OW2305161495 Beijing XINHUA in English  
1431 GMT 23 May 95*

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — China's industrial economic efficiency remained low in the first quarter of this year, according to a release from the State Planning Commission, the State Economic and Trade Commission, and the State Statistics Bureau today.

It said that the composite economic efficiency index of Chinese enterprises in the first three months was 83.36, down by 1.69 percentage points from that of the same period last year.

The release attributed the drop mainly to a continued increase of the cost of production of the enterprises.

In the January-March period, the state spared no effort in promoting the marketing of industrial products.

The rate of sales of industrial products for the period was 94.42 percent, an increase of 3.09 percentage points over the same period last year. The turnover rate of circulating capital of enterprises was 1.44 times,

increasing by 0.14 times over the same period of last year.

Statistics show that sales of 370,000 Chinese industrial enterprises during that period amounted to 984.8 billion yuan, rising by 34.9 percent over the same period last year.

The release said that 19 provinces, municipalities, and autonomous regions across the country showed a decrease in the composite economic efficiency index.

The release said that two factors were affecting the composite index of Chinese enterprises: serious enterprise losses and tight capital.

In the first quarter of this year, the number of money-losing enterprises dropped by 0.6 percentage points over the same period of last year, but rose by 4.16 percentage points over the end of last year.

Tight capital was mainly caused by inflation and triangle debt among enterprises, the release said.

#### **Report Says High Economic Growth To Continue**

*OW2405065395 Beijing XINHUA in English  
0629 GMT 24 May 95*

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — China's economy will maintain a high rate of growth in the 1995-1996 period, according to the "Pacific Economic Outlook" report issued today.

The economic growth rate for 1995 is expected to be 10.2 percent, with the inflation rate moderating to 17.8 percent, it says, adding that the economic growth rate in 1996 is expected to be 9.3 percent. Inflation is calculated to decline further, to 14.6 percent.

The report was made public here today by the China National Committee for Pacific Economic Co-operation, and is expected to be issued today elsewhere by other members of the Pacific Economic Co-operation Council (PECC).

In 1995 China's policy will be "oriented toward reducing inflation while avoiding an economic downturn," the report says.

"Its fiscal policy is expected to considerably moderate the growth of fixed investment, but the economy will maintain a high rate of growth," it notes.

Last year China's real GDP growth was 11.8 percent, the third consecutive year of high growth.

The country's export growth will likely slow down in 1995, and its imports will increase further, the report says.

"While commercial loans from abroad will be strictly controlled, the utilization of foreign capital will be effectively encouraged, and more attention will be paid to improving the structure of foreign capital," it says, adding that direct foreign investment in China will increase considerably in 1995.

This year's report is the seventh annual "Pacific Economic Outlook" published by the PECC. It is said to have been a valuable source on the key elements shaping the economies of the region.

The PECC now groups Australia, Brunei, Canada, China, Chile, Colombia, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Peru, the Philippines, Russia, Singapore, Chinese Taipei, Thailand, the United States, the Pacific island nations and Vietnam, which is at present an associate member.

#### **New Air Route Links Qinghai With Southwest**

OW2405034195 Beijing XINHUA in English  
0313 GMT 24 May 95

[FBIS Transcribed Text] Xining, May 24 (XINHUA) — A newly opened route for the first links Qinghai Province on the Qinghai-Tibet plateau with southwest China by air.

The route, linking Chengdu, capital of Sichuan Province, Xining, capital of Qinghai Province, and Urumqi, capital of the Xinjiang Uygur Autonomous Region, is flown by Southwest China Airlines every Monday using Soviet-made Tu-154 planes.

Though a less-developed inland province, Qinghai has been increasing its ties with the outside in recent years. The province has already opened air routes to Beijing, Guangzhou and Urumqi.

### **Finance & Banking**

#### **Commercial Bank To Aid Non-State Enterprises**

OW2305130595 Beijing XINHUA in English  
0757 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — A new commercial bank to focus on aiding non-state-owned industrial and commercial enterprises will open here later this year.

Approved by the State Council and the People's Bank of China, the central bank, the China Minsheng Bank will raise funds for private companies and other non-state-owned enterprises in accordance with government economic and industrial policies.

It will be a national shareholding commercial bank with a registered capital of three billion yuan.

It is being organized by the All-China Federation of Industry and Commerce, and its shareholders will be member enterprises of the federation.

It will assume full responsibility for its profits and losses, operate independently and accept the supervision of the People's Bank of China.

Jing Shuping, head of the preparatory group for the bank, said that its establishment is intended to provide financial assistance to non-state-owned companies and guide them to grow in a sound way.

"The Minsheng Bank will operate in accordance with the business scope of commercial banks and internationally accepted practices," said Jing, who is also chairman of the All-China Federation of Industry and Commerce.

The opening of the new bank will bring the number of commercial banks in China to 16.

#### **\*Academic Interviewed on Financial Reform**

95CE0402A Chongqing GAIGE [REFORM]  
in Chinese 20 Mar 95 No 2, pp 19-22

[Interview with Professor Zhao Haikuan (6392 3189 1401) by Xue Xiaohe (5641 1420 0735) and Li Errou (2621 1422 2677); date and place not given: "What Are the Obstacles to the Further Intensification of Financial Reform?"]

[FBIS Translated Text] [Xue Xiaohe] In recent articles by and interviews with you carried by RENMIN RIBAO and XIANDAI SHICHANG JINGJI ZHOUKAN [MODERN MARKET ECONOMY WEEKLY], you have held that without the establishment of a modern enterprise system, it will be impossible to intensify financial reform. As far as we know, there is some debate over what the obstacles to financial reform are. For instance, Comrade Lou Jiwei [2869 4949 0251] holds that without tax revenue reform, financial reform cannot accomplish much, due to the lack of funds. Will you please discuss in a directed way what the obstacles to financial reform are?

In addition, theoretical circles now seem to have reached a consensus that while 1994 saw progress in tax revenue reform, with exchange rate reform also successful, financial and state enterprise reform are relatively lagging. Will you please tell us your views?

[Zhao Haikuan] I differ about whether financial reform lagged in 1994. I hold that our 1994 financial reform did make considerable achievements, with certain breakthrough steps. Prior to the Third Plenary Session of the 14th CPC Central Committee, theoretical circles had complaints for a time about financial reform, holding that without breakthrough steps, it was a case of spinning in place, a weak link in our overall economic



reform, and a neck-tightening bottleneck sector. I believe that there was a certain amount of truth to that appraisal. But 1994 financial reforms made considerable achievements, taking certain breakthrough steps. For instance, with regard to our foreign exchange reform, it is acknowledged both in China and abroad that it was successful, with large steps taken and very good results achieved without any repercussions, and export growth, increased foreign exchange reserves, and exchange rate stability were all promoted. Furthermore, we set up three policy banks. While the significance of this reform was little discussed publicly, it was still a breakthrough step. Financial reform was slower before the Third Plenary Session of the 14th CPC Central Committee because large state banks were conducting policy business along with ordinary business, making it impossible for them to make their banking more business-like, or to take substantive steps in converting to commercial banks. While policy business must proceed according to state policy and planning, without consideration of compensation or earnings, commercial banking needs to be an autonomous operation, with liability for both profits and losses, self-assumption of risk, and primary consideration placed on efficiency. So our financial reform at that time was a case of spinning in place because we had not separated out policy business as a separate item. But our establishment in 1994 of three policy banks to handle policy business exclusively paved the way for converting large state banks to state-owned commercial banks.

In 1994, we also took certain macroeconomic reform steps, such as experimenting with assets liability ratio management. In short, our 1994 financial reform took considerable steps, with quite large reform advances and dynamics.

Of course, at present financial reform has still generally not caught up to our objective needs. Despite the large steps we took in 1994, they were still far from meeting our need to set up a socialist market economy. In 1995, we are not suggesting any large reform steps, but rather planning to consolidate and making substantial our 1994 gains by making gradual improvements. A quite large step in 1995 is the establishment of urban cooperative banks in some cities throughout China.

With regard to the establishment of a socialist market economy, why can our banking reform not proceed any faster? What are the major obstacles? I hold that the most crucial obstacle is the lack of any significant breakthrough in enterprise reform, which puts great limitations on economic reform, including financial reform. The most crucial problem needing to be solved in financial reform is the conversion of large state banks to commercial banks, which will be impossible with-

out the establishment of a modern enterprise system and the substantive conversion of enterprise operating forces. Commercial banks are financial enterprises that treat fund use rights as commercial transactions, with profits as one of their major operating objectives, autonomous operations, liability for both profits and losses, self-assumption of risk, and self-restraint forces. If enterprise reform is not intensified, a modern enterprise system is not established, and enterprises with long-standing losses are not essentially eliminated, banks cannot achieve autonomous operations. But if we allow banks to operate autonomously and not grant loans to losing enterprises, we can force many enterprises into bankruptcy. So without the establishment of a modern enterprise system, and without intensified enterprise reform, leaving many losing enterprises to exist and not go bankrupt, it will be impossible for our large state banks to convert to commercial banks or to provide services autonomously. So we say that the establishment of a modern enterprise system is the most crucial and essential condition for the conversion of large state banks to commercial banks.

The second key problem in financial reform is the need to gradually standardize central macroeconomic regulation and control. The proposal made at the Third Plenary Session of the 14th CPC Central Committee that under State Council leadership, the central bank should pursue an independent monetary policy, regulate the money supply, and keep the currency stable, is still impossible and involves the matter of converting government functions. Until local governments convert their functions, to accelerate their local economic growth, they often push banks to grant more loans, forcing the central bank to increase the money supply. As the subsequent losses due to the extra money supply causing inflation and currency devaluation are assumed by all of the people throughout China, local governments are not too concerned about them. The central government has also not yet converted its functions and is still forced to micromanage enterprises and be specifically involved in bank lending, the major reasons still being that a modern enterprise system has not been established and enterprise reform has not been intensified. In this situation of enterprise operating forces not having been converted, with many losing enterprises, and large state banks forced to grant loans to losing state enterprises, the central bank cannot but ensure a supply of funds to state-owned commercial banks or acquire the right to pursue an independent monetary policy.

[Xue] In an article entitled "Dealing Conscientiously with the Problem of Bank Loans That State Enterprises Can Hardly Repay," you note that a great many state enterprises now have an enormous amount of abnormal

*banks loans that they cannot repay which, in addition to normal loans, put a great debt burden on them, making it very hard for state enterprises to compete on equal market terms with private and shareholding enterprises. These loans also make it very hard for state banks to convert to state-owned commercial banks. How can this problem of abnormal loans be solved?*

[Zhao] In the intensification of enterprise and financial reform, there is a pressing need to resolve the matter of the repayment of abnormal loans by state enterprises. Some of these loans are bad debts, with others being foundation loans. These unrepayable loans have become obstacles to our establishment of a socialist market economy, intensified enterprise reform, and financial reform. At present, state enterprise bank loans, both normal and abnormal, add up to 80 percent of their gross working capital, with the working capital of some commercial units even coming wholly from bank loans. As loans require interest payments, that pushes up production costs, making for an ever heavier cost burden. While certain private and collective enterprises borrow less from banks and have little interest burdens, state banks are just the opposite. And while current bank loan interest rates actually are certainly not high, the more loans, naturally the heavier the interest burden. As for state banks, this large amount of unrecoverable loans also makes it hard for them to convert to commercial banks. That is because if they convert to state-owned commercial banks, autonomous operations and self-assumption of risks means that they are likely to go bankrupt.

With regard to ways to solve this problem, I suggest the following:

1. As joint-stock enterprises can issue shares to add a large amount of funds beyond their original capital, and the development of joint-stock enterprises is aimed at converting enterprise operating forces, for enterprises that have or are about to convert from state-owned to joint-stock enterprises with state stock control, the state needs to clearly provide that their funds raised through selling shares should go first to repaying some long-tied-up bank loans, only after which the rest can be used in other areas. This will enable enterprise shareholding reform to resolve part of the debt-burden issue.

2. With regard to the debt problems of state enterprises that practice shareholding, if they still cannot be completely disposed of through the above method alone, some creditor rights can be converted to stock rights. While some say that as some bank loans have already lost their value, converting them to investment would cover up the conflict, I hold that this problem does not exist. While some bank loans of large and medium-

sized state enterprises are without value, or the materials bought with these bank loans are losses, overall enterprise assets are still proliferating somewhat, so that they generally have a real value higher than their book value. In other words, when these enterprises practice shareholding, they have already used assets in other areas to make up the losses from the materials bought with bank loans, so that overall enterprise assets are authentic. Once bank loans that have lost their material grounds are converted to investment, they turn into self-owned enterprise assets with material grounds.

3. With regard to state enterprises that are not suited to shareholding, so are still operated directly by the state, or are converted to wholly state-owned limited liability companies, we could consider having the state finance ministry issue a corresponding amount of special-purpose bonds on the market, with the funds so raised assigned to the enterprises for replenishing long-needed working capital, and the relevant borrowing repaid to banks. That would convert these state-enterprise debts to banks into state-finance debts to society. And when those bonds mature, a corresponding amount of new bonds can be issued to repay them. While this would have an impact on bank fund sources, as people would use bank deposits to buy bonds, lowering bank deposits, bank loans would also decrease, which would contribute to a credit balance. Another plan would be for state finance to directly issue bonds to banks, which banks would subscribe to. The state finance ministry would then assign the funds so raised to state enterprises as state-enterprise, self-owned funds—capital funds—for the repayment of a corresponding amount of loans. This plan is quite convenient, for as long it moves accounts, it will convert abnormal bank loans to enterprises into state finance ministry loans to banks.

It needs specially to be noted that using funds raised through selling shares to repay some bank loans can also curb inflation, as all funds raised through selling shares will not be used for expanded reproduction, which would lengthen the capital construction front, increase the money supply, and add to inflationary pressures.

[Xue] *While you advocate converting some unrepayable bank loans to bank investments—converting creditor rights to stock rights—state enterprises have widely varying financial conditions. If a great many inefficient enterprises convert bad debts into bank stock rights, will that not change bank assets?*

[Zhao] My suggestion to convert some creditor rights into stock rights was in reference to shareholding enterprises. The state provides that enterprises that convert to shareholding must be well operated and managed. Our "Company Law" provides that enterprises

can convert to shareholding only after three years of profits. In short, enterprises that convert to shareholding have better financial conditions. Particularly inefficient enterprises cannot convert to shareholding. Meanwhile, through the conversion of creditor rights to stock rights, enterprise assets are reevaluated, with assets and funds inventoried, and former shortfalls verified and made up by enterprises from profits in other areas, so that once former debts are converted to stock rights, the capital represented by these stock rights is authentic. With regard to enterprises overall, that means converting valueless book value to real value.

With regard to whether banks should engage in investment, that is disputed both in China and abroad and, with regard to whether there should actually be separate-service or full-service banks, all countries also differ. For instance, the United States favors separate services, not endorsing bank investment, while countries such as Germany and Switzerland permit bank investment. I agree that banks should not engage in investment. As China suffers from severe inflation, encouraging banks to invest would easily foster a lengthening of the capital construction front, which would not help curb inflation. But converting creditor rights to stock rights is an exceptional matter, a specific way to deal with a problem left over by history, or an expedient measure. Unless this matter is resolved, it will be impossible to proceed with reform. As there is still no better way, this method has become a "no-other-way method."

**[Xue]** *When you were interviewed by the Shanghai XIANDAI SHICHANG JINGJI ZHOUKAN, it seems that you said that the "conversion of creditor rights to stock rights" was already being tested.*

**[Zhao]** I did not say test, as a test is something planned from above. While the authorities have not yet decided to act, some banks and enterprises are privately using this method to deal with the abnormal debt between them, and doing a good job of it too. That shows that this method is feasible. The leader of a Beijing enterprise that has used this method to deal with abnormal borrowing says that as they had no other way to go, with so many unrepayable loans, interest on account that could not be paid to banks, and banks standing the loss, they were really forced to convert some abnormal bank loans to bank stock rights. As banks became enterprise shareholders, earning dividends, they were willing to cooperate.

**[Xue]** *As the lower levels are already testing on their own the conversion of creditor rights to stock rights, please discuss as an economist the problems that might arise in such testing. Is certain help needed in drawing up such plans, and which areas of operation should*

*enterprises be warned to pay attention to? For instance, might not debtors seek ways to evade their debts?*

**[Zhao]** The conversion of creditor rights to stock rights is not a matter of evading debts, as it does not lower bank assets but merely converting their form from loans to investments. When the relevant enterprises convert debts to share capital, their debt burdens are lightened. It needs to be noted that this conversion must be done to a rational degree and limited to bad debts and foundation-capital debts that enterprises certainly cannot pay. Whether such loans are converted to bank investments or not, they will never be recouped. So rather than leaving them as unrecoverable loans, it would be better to convert them to investments. But this needs to be limited to such loans, with no conversion of normal loans into investments. If all loans were converted to investments, enterprises would be wasting funds. As enterprises need funds sometimes more and others less, converting all loans to investments would produce the first problem of that being adverse to the full utilization of social funds or, when enterprises need funds less, capital funds would be idle. The second problem would be that it would change the nature of banks, with banks no longer being lending banks, but rather long-term investment banks, not the commercial banks that we need to convert our large state banks into. Internationally recognized commercial banks are ones that make short-term loans to industrial and commercial enterprises.

When creditor rights are converted to stock rights, it is necessary to inventory funds and assets, comparing and examining accounts, and verifying enterprise assets and loans, after which the conversion occurs. Moreover, this needs to be combined with the establishment of a modern enterprise system and intensified enterprise reform as a reform step, instead of being done in isolation, for a mere change of form. We must not act in a grandiose way, which lesson we have learned through decades of experience.

**[Xue]** *China is often subject to public inventions and creations being acknowledged from above, with no detailed plans or designs. While this might be feasible for a few enterprises, might it not cause problems on an all-out scale?*

**[Zhao]** As stated above, we theoretical researchers merely engage in discussions, with implementations requiring decisions by authoritative bodies. When the decision is made to implement, we naturally need to draw up detailed implementation plans, with only those enterprises that have mature terms and have submitted them to their responsible departments and upper-level banks for approval allowed to convert. The



conversion must not be done in a big way, which would create asset and fund losses. We need to enforce strict formalities, such as loan-repayment and shareholder-placement formalities. Once banks become enterprise shareholders, they need to play the role of state-share stockholders.

## Foreign Trade & Investment

### \*Official Reviews Sino-Japan Trade Relations

95CE0367A Beijing GUOJI MAOYI [INTERTRADE]  
in Chinese 6 Mar 95 No 3, p 64

[Article by Guo Li (6753 5461), vice chairman of Ministry of Foreign Trade and Economic Cooperation Asian Department: "The Current State and Future Prospects of Sino-Japanese Economic and Trade Relations"]

[FBIS Translated Text] Sino-Japanese relations play the most important role in China's foreign economic and trade relations, and their development in recent years has attracted much attention. In the wake of the significant increase in bilateral trade and direct Japanese investments in China in 1993, economic and trade relations between the two countries continued to forge ahead in 1994, and the outlook is very promising.

### I. Bilateral Import and Export Trade Increased Significantly; Japan Has Become China's Largest Trading Partner

Sino-Japanese trade in 1993 was worth \$39.04 billion, setting a historic record and accounting for 19.9 percent of China's total foreign trade for the year. Specifically, China's exports to Japan were worth \$15.79 billion, while imports from Japan were worth \$23.25 billion. Between January and October 1994, Sino-Japanese trade came to \$35.669 billion, an increase of 24.5 percent compared to the same period a year ago. Specifically, Chinese exports were worth \$15.471 billion and imports were worth \$20.198 billion, which represent increases of 33.4 percent and 18.4 percent respectively. It is estimated that for the year, total trade could exceed \$43 billion, setting another historic record. The following are the most notable aspects of Sino-Japanese trade today:

1. *The product mix in Sino-Japanese imports and exports has further improved.* Currently, Chinese export commodities to Japan fall into several major categories: raw textile materials and textile goods; grain, oil, and foodstuff; mechanical and electrical products; petroleum and mineral products; industrial chemical products; arts and crafts; native and animal products; and manufactured goods. Together, they make up around 70 percent of exports. Machinery and electrical products make up the bulk of China's imports from Japan. They include transportation vehicles, auto parts and components, raw

textile materials and finished goods, plastic materials and rubber products, optical instruments, and metals and their finished products.

2. *In Japanese and Chinese trade statistics, both sides show deficits.* In recent years, both Chinese and Japanese showed trade deficits in the respective statistics they compiled. In 1993, Chinese figures showed a deficit of \$7.46 billion while the Japanese showed a deficit of \$3.291 billion on their side. Between January and October of 1994, the Chinese side showed a \$4.727 billion deficit while the Japanese also claimed a deficit. There are many reasons for the statistical discrepancy. For example, there are differences in trade statistics principles, trade statistics scope, trade record systems, value of goods standards, and currency conversion standards, as well as differences in the time when data were gathered. Among these, the difference in trade statistics principles is the most important cause of discrepancies in the bilateral trade figures. Specifically, Chinese statistics do not include goods that reach Japan by way of Hong Kong while Japanese statistics include that part. This problem shows up similarly in trade statistics with other countries. A proper statistical coordinating mechanism should be set up with the relevant countries to analyze and resolve this issue.

3. *As the scope of trade expands, trade disputes also increase.* After the Japanese government decided to impose an anti-dumping tax on Chinese silico-manganese in 1993, the issue of whether restrictions on the export of Chinese textile goods should be imposed erupted into another trade dispute in 1994. In the past, Chinese exports of agricultural products, foodstuff, raw silk and silks and satins, and Chinese prepared-medicines to Japan have also met with various forms and degrees of restrictions. While these issues are not yet completely resolved, the imposition of new restrictions on Chinese textile goods will necessarily have a negative impact on trade between the two countries, not to mention that such restriction is contrary to the trend toward free trade worldwide.

4. *Trade in technologies still accounts for a very small part of Sino-Japanese trade in monetary terms.* The "Toshiba incident" of 1987 and the "two corporations incident" of 1988 dealt serious blows to the already rough-going Sino-Japanese trade in technologies, and the value of trade in technologies dropped four years in a row, from the height of \$790 million in 1986 to \$90 million in 1990. Despite the recovery which began in 1991 and the historic record set in 1993, when trade value reached \$1.745 billion, it again fell sharply between January and September of 1994 and totaled only \$519 million. This is inconsistent with the fast-expanding trade scope between the two countries. It is

fair to say that the Japanese government's conservative attitude toward technology transfer to China basically has not changed.

## **II. Japanese Enterprise Investments in China Continue To Rise**

Japan is one of China's major direct investors. Between 1979 and 1993, the Japanese directly invested in 7,182 projects, worth \$8.86 billion as negotiated and \$5.17 billion in actual input. Their investments in 1992 alone equalled approximately the total of all their investments in the previous 13 years. For that year, 1,805 projects were approved; they were worth \$2.173 billion as negotiated and \$710 million in actual input. With 3,488 projects approved and Japanese investment valued at \$2.96 billion as negotiated and \$1.32 billion in actual input, 1993 was a even better year. Between January and June 1994, Japan's investments continued to surpass that of the same period a year ago, with 1,428 projects approved, at a value of \$1.86 billion as negotiated and \$890 million in actual input. The characteristics and direction of Japan's direct investment in China are as follows:

*1. The characteristics are fairly obvious.* One, although in terms of investment projects and negotiated sums, Japan ranks fourth among nations and regions directly investing in China, trailing behind Hong Kong and Macao, Taiwan, and the United States, in terms of actual input, Japanese funding ranks first. Two, the success rate of Japanese invested projects is fairly high; most enterprises are doing well, although the average investment in each project is below the market level of other investing nations and regions.

*2. Investment scope and domain are expanding.* In the last two years, there has been an increase in major investment projects, especially in electronics and machinery, cement, and other trades and industries, and Japan's auto industry has abandoned its past negative attitude toward investing in China and is working hard to gain access to the Chinese market. Investments in the infrastructure and basic industry, such as energy, transportation, communications, and raw materials have increased, and investments in the business and circulation sectors have picked up. Geographically, Japan's investments have spread from the coastal cities to the interior. C. Itoh & Co. has opened an office in Urumqi in Xinjiang, and the Wanhong Company has one in Kunming, Yunnan, proving that Japanese enterprises are working hard to reach China's hinterland. Many are actively submitting applications to set up "umbrella" companies, reflecting the desire of Japanese enterprises to further open up markets and increase investment in China.

*3. Chinese markets are very attractive to Japanese enterprises.* Upon analyzing various trends, it is clear that although the Japanese are still not satisfied with China's investment environment and think that China's infrastructure needs improvement, its policies to attract foreign investments lack a sense of continuity, and wage disputes in China are on the increase, and although they worry about the effects of rising labor cost and inflation on enterprises investing in China, overall, they believe that China is still a very attract place to invest their money. The Japanese public generally believes that Asia is the hot point of world economic growth and China is at the center of the hot point. Moreover, China's society is stable, and it has strong growth momentum and huge market potential. The Machinery Manufacturers Association of Japan polled its members on the new round of efforts to move Japanese capital overseas and found that 74 percent of its members had written down "China" as their objective. In addition, the Japanese Trade Revitalization Association polled 625 factories on the effects and ways to deal with the appreciation of the Japanese yen and learned that "under the current situation, the best solution is to invest abroad, and the most attractive place is China." It can be expected that as China's economic construction develops and its socialist market economic system gradually improves, China's investment environment will become even better, and Japan's direct investments will grow even faster.

## **III. Financial Cooperation Between the Two Countries Has Made Good Progress and Produced Outstanding Results**

Sino-Japanese financial cooperation are forged through two major channels: Government loans and energy loans from the Import-Export Bank. They play the principal role in the cooperative efforts between the two countries.

### *1. Government loans:*

The Japanese have provided more government loans to China than any other country. Since 1979, the Japanese government has extended three batches of loans worth a total of 1.6109 trillion yen to China. These loans have been used to fund 64 projects. Projects funded by the first two batches have already been completed and put to work; projects funded in the third round are still under construction. They were key projects in China's "Sixth Five-Year Plan," "Seventh Five-Year Plan," and "Eighth Five-Year Plan." Because Japanese government loans have better terms, lower interest rates, and longer repayment periods, they are most welcome by units receiving those funds. In addition, the Japanese have also provided China with 100 billion yen worth of "black-ink" revolving loans and free assistance worth a total of approximately 95 billion yen through

government channels. This has been used to develop export commodities bases and medical, public health, educational, and agricultural development projects, and have generally produced good social and economic results.

## 2. Energy loans from the Import-Export Bank:

Energy loans are special funds designated for special use and are intended primarily to develop oil fields and coal mines. Since 1979, China has utilized three batches of such loans, worth a total of 1.70 trillion yuan, to fund 49 projects. Projects funded by the third batch are still under construction. Although the terms of the energy loans are not as good as government loans, they still play a very important role in easing the shortage of certain kinds of loans and in accelerating the exploitation of energy resources.

The availability of such funds, whether they require repayment or not, has been very important to relations between China and Japan. First, it has promoted the development of economic and trade relations between the two countries, and second, it has given impetus to the economic growth of both countries, and in turn has had profound effect on fostering a friendly and neighborly relationship and forging long-term cooperation between the two countries; it also helps to bring peace and prosperity to Asia and even the world.

## 3. Some problems and unfavorable factors in using Sino-Japanese funds.

First, due to appreciation of the Japanese yen, Japanese loans have increased China's debt burden. The relevant departments have roughly calculated that the Japanese yen appreciation has increased China's debt burden by billions in U.S. dollars, and that does not even include interest. Meanwhile, most Japanese yen loans are spent on infrastructure and energy development projects which will not generate economic benefits in the short-run. This debt burden is huge compared to China's current economic strength, and if not resolved soon, it is bound to jeopardize the two countries' long-term cooperation. Second, in 1993, the Japanese government came up with three principles of government development assistance. They were brought into play during negotiations for a fourth batch of Japanese loans, and they already have had a negative impact on financial cooperation between the two countries. As the Japanese government increases its foreign development aid, China hopes that the financial cooperation between the two countries can continue as before; it does not want to see the relationship hurt by outside factors.

The above situations show that Sino-Japanese economic and trade relations have undergone rapid development

and that cooperation has been broad in domain and very fruitful. Despite some problems and unfavorable factors, the main developmental trend is healthy. Based on the two countries' needs and abilities, and as they continuously surmount difficulties and solve problems, their economic and trade relations will reach higher ground, and the future of their mutual aid and economic cooperation is bright.

## \*Asian-Pacific Economic Cooperation Slows

95CE0328A Beijing GUOJI MAOYI WENTI  
[INTERNATIONAL TRADE JOURNAL] in Chinese  
6 Feb 95 No 2, pp 61-64

[Article by Zhang Xin (4545 2450), Department of International Trade, Hangzhou Business School: "Diversity Slows Asian-Pacific Economic Cooperation"]

## [FBIS Translated Text] I. Existing Asian-Pacific Economic Cooperation Models

I refer to the Asian-Pacific economic cooperation models being put forward by experts at home and abroad as existing Asian-Pacific economic cooperation models. The two most influential ones are:

1) "Wild goose development model." Japan is the "head goose" in this model, followed by Asia's newly industrialized countries [NIC's] and regions, with ASEAN bringing up the rear, resulting in a wild-geese-in-flight formation. The locomotive for this model is Japan. The idea is to bring about subregional economic cooperation first—in trade, investment, and banking—between Japan, on the one hand, and the NIC's and ASEAN, on the other. The geographical scope of such cooperation will gradually expand over time ultimately to embrace the entire Asian-Pacific region. Membership in this model mainly hinges on a nation's level of economic development and the closeness of its economic ties with other countries.

2) "Dual-engine train model." This model envisions the Asian-Pacific region as an express train hurtling forward at high speed. It is powered by two locomotives, Japan pulling in front and China pushing at the back. Close cooperation between East Asia's two powers is the driving force behind the development of economic cooperation in the entire Asian Pacific region. Criteria for membership in this model are basically the same as those for the other one.

## II. Some Comments on the Two Models

1) When the "wild goose development model" was first put forward, there was some possibility it might materialize. Then the 1990's came along and it has become history. 2) About the "dual-engine train model,"



which country will do the pulling in front? Which country will push at the back? That is hard to say. Nor is it likely to happen in practice for the following reasons:

A) The meteoric rise of the Chinese economy has undermined Japan's standing as the "head goose." We need to rethink which country should be the engine in front and which should be the engine at the rear.

The "wild goose development model" was premised on differences in the level of economic development and varying degrees of closeness of economic ties. Its locomotive was a fast-growing Japanese economy. It was also its fast-growing economy that earned Japan its place as "head goose." Today, however, it is China's economy that is growing by leaps and bounds. Japan is losing or has lost its role as the locomotive in the "wild goose development model" as demonstrated in the following ways:

i) "Three-in-one" cooperation under the "wild goose development model" is disintegrating because of China's entry.

During the 1970's and 1980's, China's GDP grew 5.7 percent and 8.6 percent, respectively, each year on average in real terms, both higher than Japan's figures, which were 4.5 percent and 4.2 percent. (Footnote 1) ("The International Economy and Japan in 2000," Japan Economic Research Center, Shishi Chubanshe) According to projections by the Chinese Academy of Social Sciences [CASS], China's GDP will increase 9 percent annually on average through the 1990's and will not drop below 7.5 percent between 2000 and 2010. (Footnote 2) (XINWEN BAO, 27 Aug 1994) In contrast, Japan's Economic Research Center projects the country's GDP to grow just 3.6 percent each year on the average in real terms through this decade. (Footnote 3) (XINWEN BAO, 27 Aug 1994) The Chinese economy has entered a golden age since 1991, which is expected to last until 2010 or thereabout, giving the Chinese economy a prolonged 30-year stretch of rapid growth. (Footnote 4) (XINWEN BAO, 27 Aug 1994) Sustained fast economic growth will turn China into the world's largest market. Chinese exports and imports totaled \$195.71336 billion in 1993, up 18 percent from 1992. Specifically, exports were worth \$91.36291 billion, up 8 percent from 1992, and imports amounted to \$103.95045 billion, up 18.9 percent. Let's take a look at the major sources of Chinese imports and the chief markets for its exports. In 1993 imports from ASEAN, South Korea, Japan, and Taiwan increased 42.5 percent, 104.3 percent, 69.9 percent, and 120.4 percent, respectively, compared with 1992, while exports to those nations also rose 9.8 percent, 18.9 percent, 35.1 percent, and 110.7 percent, respectively, over 1992. (Footnote 5)

("Customs Statistics," China) Major nations and regions in East Asia are looking toward China for trade. In fact, this shift began in the early 1990's. In 1992 the export dependency of Asia's NIC's and regions on China already reached 12 percent, overtaking the 9 percent for Japan. (Footnote 6) (GUOJI JINGMAO XIAOXI, 29 Jun 1994) According to the *World Report 1994* issued by the United Nations Conference on Trade and Development, China attracted more foreign capital in 1993 than any other country in the world but one. Japan and the four "mini-dragons" all reported sharp jumps in investments in China. In 1993 direct Japanese investment in China hit \$1.7 billion, a 58 percent gain over the preceding year, as China nudged out Indonesia as the top recipient of direct Japanese investment in Asia. (Footnote 7) (GUOJI JINGMAO XIAOXI, 10 Jun 1994) In the first 11 months of 1993, Taiwan investment in the mainland topped \$10 billion by a wide margin. (Footnote 8) (GUOJI JINGMAO XIAOXI, 25 Feb 1994) Recently Taiwan approved a \$70 million mainland investment plan. The new reality is that the "wild geese" in the "wild goose development model" are reorienting themselves to China. The "wild goose" formation is breaking up.

ii) A "four-sided Chinese economic region" is taking shape. With China becoming vastly more powerful, the notion of one country acting as an engine in front and another at the back is less than precise.

Hong Kong's return to China is a matter of time. The mainland and Taiwan are stepping up their dialogue, and their economic and trade relations are becoming more and more intimate. Mainland China has resources, manpower, markets, independent basic technology, and some cutting-edge technologies rivaling the best in the world. Add Taiwan's funds and intermediate technology and Hong Kong's and Macao's information and networks and you have a mighty "four-sided Chinese economic region." In terms of size, China's economy currently ranks tenth in the world (based on market exchange rates). The IMF has estimated that provided their economies maintain a growth rate of 10 percent before the year 2000, the combined size of the economies of the mainland, Taiwan, Hong Kong, and Macao will double that of Japan and be three times that of Germany by 2000. This joint economy will also be slightly larger than that of the United States. (Footnote 9) (From an article in the INTERNATIONAL HERALD TRIBUNE of the United States, reprinted in GUOJI JINGMAO XIAOXI, 21 Mar 1994) CASS estimates put the average annual growth rate of China's GDP at 9 percent throughout the 1990's. Japan's Economic Research Center projects the Taiwan and Hong Kong economies to grow an effective 5.9 percent and 5.7 percent, respec-

tively, each year on the average during the same decade. These figures are lower than those used by the IMF in making its projections, but it is entirely possible for the Chinese economy to overtake that of Japan in size. (If we use the IMF's estimates, the Chinese economy will double that of Japan.)

B) The establishment of the East Asian policy-making commission has cut the "dual-engine train" in the middle.

In late 1990 Prime Minister Mahathir bin Mohamad of Malaysia proposed the creation of an "East Asia economic group." Note that this was the first time an ASEAN leader called for the creation of an economic sphere. In October 1993 the 25th meeting of ASEAN economic ministers held in Singapore resolved to: 1) Take practical steps to speed up the creation of an ASEAN free trade zone. A joint declaration was issued by the economic ministers of the various nations which took part in the ASEAN free trade zone ministerial conference. The declaration announced a new generalized preference tariff plan scheduled to go into effect on 1 January 1994. Under the new plan, products governed by lowered tariffs would account for between 78 percent and 90 percent of the total industrial output of each nation. This decision marked a big step forward in the creation of an ASEAN free trade zone. 2) A new consensus was achieved on establishing an East Asian economic policy-making commission. Members of the commission would include China, Japan, South Korea, Taiwan, and Hong Kong, as well as the six ASEAN member nations. It was also agreed that a framework for the commission would be worked out within a year by consulting with Japan, China, South Korea, and other non-ASEAN countries. Because of the agreement reached on internal issues, ASEAN is now able to concentrate on developing the three "growing triangles" to the south, north, and east, and accelerating subregional cooperation within itself in order to secure its place in regional economic cooperation in the future. According to projections by the Economic Research Center in Japan, the economies of ASEAN's member nations would grow an average of 6.6 percent each year in the 1990's, higher than Japan's 3.6 percent, China's 6.2 percent, and the 6.3 percent of the NIC's. It also expects ASEAN's economic growth rate to increase 27.6 percent in the second half of the 1990's compared with the first. Corresponding projections for China, Japan, and Asia's NIC's are 27.3 percent, 18.18 percent, and -4.9 percent, respectively. (Footnote 10) (Calculations based on estimates in the book "The International Economy and Japan in 2000.") The focus of development in Asia is expected to shift from the NIC's to ASEAN. The dual-engine train model will have a hard time materializing.

### III. Realistic Model for Post-1990's Asian Pacific Economic Cooperation

1) The Asian-Pacific economic cooperation situation. Asian-Pacific economic cooperation is currently in a state of realignment and a host of bilateral and multilateral economic cooperation plans and arrangements have emerged in response to this fluidity.

There is an obvious trend in the region's economic picture: The gradual materialization of a three-dimensional, diversified, and multiplayer structure that is geography-based and extends from the periphery to other areas. This new pattern of economic cooperation has the following characteristics:

A) Multiplayer and multipolar. The economic spheres in both Europe and North America each have a dominant player, either an economic power or an area which calls the tune. In North America, the axis revolves around the United States; in Europe, the EC plays a similar role. In the Asian-Pacific region, however, the political and economic systems of the various countries are so disparate and the levels of economic development so uneven that the economic structure of the region is still one of multipolarity, with several axes—China, Japan, ASEAN, Australia, and the United States—all playing a notable role.

B) Interlocking sets of concentric circles. This diversified multipolar structure does not present a neat and tidy picture. Instead, it is a series of concentric circles. There are circles within circles, circles intersecting with circles, all different in size but coexisting with one another. A number of small circles overlap and help one another in the interest of joint development.

C) Territoriality. A salient feature of all present arrangements, future arrangements, and any others that are being conceived is that each of them is centered on the nation that initiated the arrangement and is based on geography. The other criteria—the level of economic development and closeness of economic ties—have basically been jettisoned. It is worth noting that: 1) East Asia promises to be the most active area in all the Asian-Pacific region as far as regional cooperation is concerned; and 2) most geography-based economic spheres are directly linked to China.

D) Still in its infancy. To an overwhelming degree, when we talk about Asian-Pacific economic cooperation, we are talking about visions and future plans. Whatever arrangements exist at present remain rudimentary compared with the economic spheres in Europe and America in terms of goals and levels. And they are expected to stay rudimentary for a long time to come. The

reason is that the region is highly diverse in social systems, economic mechanisms, history, culture, religion, and level of development. Conditions for economic cooperation on a large scale thus are not yet in place. In contrast, it is easier to reconcile such differences on a smaller scale, and that is where economic cooperation has been making more rapid progress.

2) The "snowball model." As a region, Asia Pacific is not as well defined as Europe. Its core members are Japan, China, ASEAN, South Korea, Australia, New Zealand, the United States, and Canada. At present the United States is hard at work building an American economic sphere, while Australia is seeking to strengthen its economic ties and cooperation with all island nations in the Pacific. From the perspective of geo-economic cooperation, East Asia holds the most promise for regional cooperation now and in the future. The spectacular rise of the East Asian economies in the 1970's and 1980's wrote a most glorious chapter in world economic history. The success of cooperation within a small sphere in East Asia will be of pivotal importance in the larger sphere of the Asian-Pacific region in the future. In our opinion, therefore, the success of Asian-Pacific regional cooperation to a large extent will be decided by the three poles in a multipolar structure: China, Japan, and ASEAN.

Political, economic, and historical differences among the Asian-Pacific nations determine that the development of the larger sphere in the region must be a gradual incremental process, and that it must start small before increasing in size over time. Of the three poles, Japan is still the most economically powerful to date. But if we look at the development trends, the other two are turning themselves into economic powerhouses on a par with Japan. All three poles are making "snowballs" revolving around themselves. Even as they build up their own national (or regional) economies, they are working aggressively to consolidate or expand the spheres where they are located and broaden their influence. Their goal is to turn a small "snowball" into a big one revolving around themselves. The pole which becomes the center of gravity of the future multipolar structure will also find itself at the center of a large "snowball." As the large "snowball" keeps rolling, other small "snowballs" will adhere to it, making it bigger still. Ultimately, the several small spheres in the Asian Pacific region will become a supersphere.

The key question is this: Which pole will become the center of gravity in the future? This topic will be probed in depth in another article.

## Agriculture

### Anhui Party Secretary on Grain Production

OW2305105995 Beijing XINHUA in English  
0953 GMT 23 May 95

[FBIS Transcribed Text] Hefei, May 23 (XINHUA) — East China's Anhui Province will never slacken its efforts in promoting grain production in the process of its industrialization, said a top provincial official here today.

Lu Rongjing, secretary of the Anhui Provincial Committee of the Chinese Communist Party, pledged that Anhui will ensure a steady increase in grain production in the course of modernization.

"On this basis, we shall try to speed the growth of the farming sector and rural industries to make sure that Anhui residents will be able to enjoy relatively comfortable living standards," he said.

Over the past few years Anhui has reported a faster economic growth rate than the nation's average.

During the 1991-95 period its economy is finally expected to grow at an average annual rate of 13 percent. Its gross domestic product (GDP) —the value of goods and services produced— topped 100 billion yuan in 1994, five times the amount in 1980.

Local economists agreed that Anhui's economic takeoff is due primarily to the mushrooming of rural enterprises, which manufactured 200 billion yuan-worth of goods in 1994, double the figure for 1993.

Another factor is the rapid development of the area along the Chang Jiang River which cuts through Anhui. The riparian area's GDP amounted to 59.67 billion yuan last year, contributing 40 percent to the province's total, up from nearly 37 percent in 1990.

A major grain producer in China, Anhui ships out 2.5 million tons of grain a year to other parts of the country.

Lu Rongjing said, "I think Anhui's industrialization must be based on a prosperous farming sector."

To this end, it is imperative to stabilize the acreage seeded under various crops, he said.

"We have decided to increase per-hectare output by spreading the use of new techniques and fine crop seeds, and improving field management," he said.

The Provincial Government will increase an additional 500 million yuan in loans for agricultural construction this year. Loans for crop cultivation and livestock breeding will rise by ten percentage points this year.



Higher grain prices have aroused farmers' initiative for grain production, Lu said, adding that many farmers working elsewhere have returned to their villages to till farmland.

He predicted that Anhui's grain production will increase by 2.5 million tons, cotton by 40,000 tons and oil-bearing crops by 140,000 tons this year.

**\*Anhui Cadres on Rural Policy Implementation**

95CE0395B Beijing JINGJI CANKAO BAO  
in Chinese 13 Apr 95 p 1

[Article by Kong Xiangying (1313 4382 6601): "Fast Inauguration, Slow Application, and Poor Implementation Is What Some Anhui Cadres Say About the Implementation of Rural Policies"]

[FBIS Translated Text] "As agriculture assumes more importance daily, implementation of rural policies has once again become a hot spot of social interest, and a hot topic for discussion. Not long ago, during a rural work conference in Anhui Province, this correspondent and some rural cadres held an informal discussion during which the cadres agreed unanimously that whenever the subject of paying close attention to agriculture is brought up, it means studying and drawing up agricultural policies. However, time after time, policies are not put into effect sufficiently and results share a common failing: Policies are inaugurated fast, applied slowly, and results are poor.

Chuzhou City is the birthplace of rural reform in China. It has benefitted substantially from the party's rural policies, and it is particularly sensitive to the policy implementation issue. Chen Zhaojun [7115 0340 6874], municipal CPC Committee deputy secretary, said that in recent years both agriculture and rural work have revealed many problems that are attributable not only to inappropriate things that were done at the outset of the shift from a planned to a market economy, but also to failure to implement various rural policies. As an example, he said that several years ago the government decided to give financial support to the agricultural development of the Huang-Huai-Hai region and to commodity grain base counties, but the money was slow in coming. The delay in investment meant that all the county development plans came to naught. Not only was the government's anticipated results not obtained, but the zeal for the development of agriculture of cadres at all levels was greatly dampened. Hardly had he finished speaking than the secretary of the Lai'an County CPC Committee, Li Tian [7812 3944], picked up where he left off: Last year someone from a national government ministry came to inquire into how support funds for large commodity grain producing counties

were being used. He said that if they were not being used properly, the funding plan would be scrapped. I said that the higher ups had ruled a three-year use period, with the funds to be paid back in the fourth year. But now, there was no money the first year, and it was the end of the second year before the money arrived, so the money could be used only in the third year. What kind of support is this? He admitted that this was "typical sloganeering agriculture." The thing that cadres at all levels discussed most and were most displeased about was that grain price subsidies and means of production prices had gotten out of control. A cadre from Xuancheng Prefecture who worked in a joint Jiangsu-Zhejiang department said that in 1995 the government had emphasized that each province would itself set the subsidy for nonprocurement price grain. Reportedly, both Jiangsu and Zhejiang provinces decided on 16 yuan per 100 jin subsidy for fixed procurement grain, but Anhui has not said whether it will give a subsidy in addition to the calculated price. This greatly hurts fulfillment of procurement price quotas. Huaining County magistrate Qian Shijie [6929 2514 2638] said that prevailing market price parities for grain and cotton do not make sense. The national government raised the price of cotton again in 1995, so unless some changes are made in the grain price, grain procurement will be a problem. At procurement time, compulsory measures will have to be taken again, which are bound to create a conflict between rural grass-roots cadres and the masses. In talking about this problem, Chen Zhaojun from Chuzhou City said that grain-price subsidies not only affect peasant interests, but there is also the production area and marketing area interests problem. In 1994, Chuzhou City allocated only 300 million jin of grain to cities in the province, so we cannot always be accused of cutting the peasants' throats or using money to subsidize cheap grain in marketing areas! The comrades taking part in the discussion all acknowledged that because of the serious spring drought in Anhui Province in 1995, output of summer grain and edible oil crops will probably decline. This, in addition to no rise in grain prices, will mean that peasant reluctance to sell and purchases by people from outside the province will set off a big panic buying war for the grain and edible oil crop.

In discussing prices of agricultural means of production, everyone expressed fairly strong views. Wei Shouzhong [7279 1343 2691], Mingguang City CPC Committee deputy secretary, said: "Nowadays the price of chemical fertilizer changes from day to day. In the rural villages of Mingguang, urea sells for between 1,800 and 2,200 yuan per ton. Controlling the price is impossible. But unless it is controlled, the peasants complain a great deal. It is really exasperating." Comrades in positions of

responsibility in Dingyuan and Quanjiao counties also reported that an 80-jin bag of urea sells for about 100 yuan in rural villages. This is about the price of a bag of grain. "How can this go on!" The last Anhui Rural Village Work Conference relayed the decision of central government rural work conference setting the ex-factory price of urea at 1,150 yuan per ton. The provincial government made a regulation to control the price of chemical fertilizer, and required each jurisdiction to exercise level-by-level control to control the ex-factory price. Everyone felt that these two regulations are hard to carry out. Wei Shouzhu said: "The higher ups set the ex-factory price of urea, but the fertilizer concerns are answerable to their own superiors (the Aiqing Petrochemical main plant, for example, is answerable to the China Petroleum main company). If they do not sell it at the set price, what can be done? Or if they will not give you chemical fertilizer, then what? Even if concerns sell at the stipulated ex-factory price, who is accountable when they lose money? Unless such problems are solved, policies will not be honored. They're fruitless." Lo Yangzhou [5012 3152 3166], the prefect of Nanjiao Prefecture, and Li Tian, of Laian County, both feel that level-by-level control of locally produced fertilizer prices is unworkable. First, there is too great a difference between one county and another in financial resources. If prices are set low, the producers will lose money. One county may be able to afford subsidies but another may not. Second, the price differential between the delivery and the sale price is difficult to set. Some business concerns have chemical fertilizer in storage, or they have purchased it in advance. If you come along and control the differential and they lose money, who is accountable? They both felt that to have a single unit control prices of the means of production is unworkable. The interests of producers, sellers, and users must all be factored in. In particular, the added costs of producing concerns have to be taken into account. Only when coordination among all units is done on this basis can the control of prices work well. Since fixed grain procurement prices are low and the sale price of chemical fertilizer is fairly high, and since this is a very difficult problem to solve, all the cadres in Chuzhou City suggest a revival of the "three-linking" policy [the policy that gives down payments for the purchase of grain to households, fulfills purchase contracts, and links parity price sales of fertilizer and diesel fuel to production quota fulfillment]. Once the "three-linking" policy is revived, the national government can increase somewhat the amounts of linked materials and each county can be responsible for implementation. Thus, giving the peasants parity price fertilizer in return for their low priced grain makes more sense. Some suggested that

if the "three-linking" policy cannot be revived, a "two-track system" might be used for means of production.

Some cadres suggested that policy implementation should be from top to bottom as though a single level; otherwise, "the central government will issue a document that each level will read aloud to the next level down, with no concern whether it was honored or not." Some suggested that now that the central government has given serious attention to agriculture, all the rural policies inaugurated during the past several years should be conscientiously arranged in proper order from top to bottom and looked at to see which have and have not been carried out. Otherwise, no matter how many policies are inaugurated, they will have no effect.

#### **\*Hunan Announces New Grain Purchase Policy**

95CE0378D Changsha HUNAN RIBAO in Chinese  
23 Mar 95 p 1

[Article by Liu Lin (0491 7792) and Dai Meixiang (2071 5019 3276): "Provincial Government Announces New Procurement and Marketing Policy for Grain, Cotton, and Fertilizer"]

[FBIS Translated Text] At the recently convened provincial rural work conference, Wang Keying [3769 0344 5391], provincial CPC Standing Committee member and vice-governor in charge of day-to-day affairs, announced on behalf of both the provincial CPC committee and the provincial government several major policies for the procurement and marketing of grain and cotton and the sale of agricultural means of production.

The policy on procurement and marketing of grain contains five provisions: The first is to ensure fulfillment of a fixed procurement quota of 3.31 billion kg of grain provincewide, but no level-by-level price increases are allowed. The total prefecture, autonomous area, city, and county increase over the original price may not exceed 5 percent, and provincial approval is required for price increases. Second, 1.69 billion kg of negotiated procurement is a guidance plan that is not to be regarded as a quota. Grain departments must make positive procurement efforts to obtain this grain, the procurement price tracking the market. Third, grain markets are to remain open year round to permit peasants to buy the grain they need for their own consumption in country fair markets. However, lot-size grain procurement from outside the province may be done only in wholesale grain markets above the county level. Fourth, a provincewide uniform price is to be strictly enforced for fixed grain procurement. The .04 yuan per kilogram subsidy not included in the price that

the province decided on in 1994 will continue to apply. Fifth, the agricultural tax will continue to be levied in kind. Certain places that have historically collected the tax in cash are permitted to continue to collect it in cash.

The policy on cotton procurement and marketing contains five provisions: First is continuation of the "three uniforms" principal, namely uniform procurement, uniform administration, and uniform pricing. The second is to give the peasants benefits received from a rise in cotton prices. The third is continuation of a policy of permitting the substitution of cotton for grain, 2 million dan of cotton serving as the base figure for the procurement and marketing of cotton instead of grain, the province handing down quotas to individual cotton producing areas. Fourth is priority in satisfying the province's needs, cotton being shipped to other provinces only after balance is achieved inside the province, the premium price obtained from shipments to other provinces, and the premium price above the base figure for shipments within the province going mostly to cotton-growing counties. Fifth is prefecture, city, and county institution of cotton allocation and transfer quota contracting within the province, no excess allocation permitted for excess production and excess procurement, and allocations reduced in proportion to reduced production.

The subject of greatest peasant discontent today is chemical fertilizer, specifically the too high price of urea. Therefore, the provincial government requires all units engaged in the production and marketing of chemical fertilizer to observe "seven no's," namely no withholding fertilizer from sale, thereby disrupting the farming season; no sale at negotiated prices of fertilizer produced within the plan; no selling or selling first of fertilizer outside the plan, and no selling or selling later of fertilizer within the plan; no price hikes in violation of the differential; no making of an aggregate average price for fertilizer within the plan and outside the plan; no unit engaged in selling of the means of agricultural production may also engage in publicly owned business; and no adulteration, short weighing and short measurement, or misrepresentation of quality.

#### Shandong Project To Increase Cotton Output

OW2305131995 Beijing XINHUA in English  
0659 GMT 23 May 95

[FBIS Transcribed Text] Jinan, May 23 (XINHUA) — An agreement on a scientific research project to increase cotton production has been signed between the Agricultural Sciences Academy of Shandong Province and two local cities.

The Shandong provincial government has allocated two million yuan for this project, which is aimed

at increasing the cotton production of 130,000 ha [hectares] of pilot cotton fields.

The goal is to have each mu (0.067 ha) produce 75 kg to 80 kg of ginned cotton this year.

Now 18 cotton experts have been sent to the 19 counties under the administration of Dezhou and Liaocheng cities.

The experience of the two cities will be popularized to promote the whole province's cotton production, said experts from the academy.

Shandong is one of China's major cotton-producing provinces. In 1984 its cotton output was a record 1.725 million tons, accounting for 32.5 percent of the country's total cotton output.

#### \*Farm Machinery Industry Development Viewed

95CE0376A Beijing JIDIAN RIBAO in Chinese  
7 Apr 95 p 2

[Article by Cui Jinzhu (1508 6855 2691): "Brief Talk on Current Situation in Developing Farm-Use Vehicles in China"]

[FBIS Translated Text] [Begin editor's note] More than 10 years have passed since the emergence of the first farm-use motor vehicle in China. Following the vigorous implementation of various types of reform programs and the rapid development of the farming economy, the number of plants in the manufacture of farm-use motor vehicles has increased from several to hundreds of plants. The farm-vehicle industry has grown out of nothing and expanded from small to large. Its annual production output has grown from several hundred to more than one million motor vehicles today, scoring a remarkable achievement. As seen from the international practice for development, farm-use carrier vehicles are transitional products under specific conditions. Their existence is inevitable. Particularly, the automobile industry will be developed as a pillar industry in China in the next 15 years. Many plants involved in the manufacture of farm-use motor vehicles have mushroomed, and market competition is become more fierce in each passing day. The trend of development for China's farm-use carrier vehicles has attracted more people's attention. This article puts forward some views on the development of farm-use motor vehicle for our readers' reference. [end editor's note]

There are mainly two special features in developing farm-use vehicles in China:

First, China's farm-use vehicles were different from automobiles right from the beginning in terms of production and marketing. Prior to the announcement of



the policy on the automobile industry, the state, on the one hand, invested tens of billions of yuan to establish plants in the manufacture of sedans, while on the other hand, it spent a great deal of money to monopolize sales of their products. When the state was out of money, it carried out the policy of "controlled procurement." Finally it was unable to sell the sedans manufactured by these plants. In the end, state finances suffered. Right from the beginning, the farm-use motor vehicle industry was aimed at the rural areas. It entered a market in which consumers use their own money to buy motor vehicles. It is almost unaffected by the state policy of carrying out macroeconomic adjustment and control. The more slow-moving are cars on the market, the more marketable are farm-use vehicles. Many farm-use motor vehicle plants have developed like rolling snow balls. They have no state investment, and rely on their own financial resources to develop themselves. Let us take the Southern Anhui Motor Vehicle Plant as an example. In 1980, it was a small enterprise with an original asset value of 1.79 million yuan and output value of less than 1 million yuan. It has developed to a large enterprise with an original asset value of 75 million yuan and output value of 750 million yuan in 1994.

Second, China's farm-use motor vehicle industry has avoided, right from the beginning, the trend of placing emphasis on the manufacture of main engines while neglecting the production of parts and components. At the outset, the industry has paid full attention to the manufacture of parts and components in producing complete sets of farm-use motor vehicles. Let us take the Xuancheng Prefecture, Anhui, as an example. The department in charge of the manufacture of farm-use motor vehicles in the prefecture, first of all, organized county-level, machine-building enterprises as the backbone in the manufacture of main components. Later, it contracted rural and private enterprises to form a large enterprise group in carrying out cooperation among specialized lines and socialized mass production of farm-use motor vehicles. It has formed serialized and well-coordinated production lines in the manufacture of main components and parts.

The growth of the farm-use carrier vehicle industry has become even more rapid in recent years. The output of such carrier vehicles in China was less than 100,000 in 1987. It is expected to reach more than 1.6 million this year. The number of farm-use carrier vehicle enterprises on the list of the Ministry of Public Security and Ministry of Machine Building has already exceeded 200. More than 120-odd of them manufacture three-wheelers and over 150 of them produce four-wheelers with a total annual output of more than 200,000 vehicles. The total annual output would actually far exceed this figure, if

the number of enterprises which are producing farm-use carrier vehicles but not on the aforementioned list is also taken into consideration. Farm-use carrier vehicles have become the largest sector of the farm-machinery industry.

According to available data, there are 5 million farm-use three-wheelers and more than 700,000 four-wheelers in China's rural areas. All of them are privately owned motor vehicles. Factories which manufacture farm-use carrier vehicles are all over the country. Provinces which produce most of such motor vehicles are Jiangsu, Anhui, Shandong, and Fujian. There are three giant plants which manufacture three-wheelers—the Nanjing Farm-Use Motor Vehicle Plant (Golden Frog Brand), the Southern Anhui Motor Vehicle Plant (Flying Color Brand) and the Weifang Giant Strength Group (Giant Strength Brand), with each of the plants producing more than 120,000 vehicles and their total output accounting for one-third of the number of three-wheelers in China. Many four-wheelers are manufactured by the Longma-Longjiang-Longxi Group in Fujian Province. They account for one-third of the total national output.

As seen from the current situation, there are two major problems in the development of farm-use carrier vehicles:

The proclamation of the "industrial policy for the automobile industry" signifies that China's automobile industry is now confronted with a new historic turn. The fact that the automobile industry has entered a new stage of development inevitably affects the production of farm-use motor vehicles. First, automobile manufacturing plants such as the South China Automobile Plant, the First Motor Vehicle Plant, the Jiangxi Isuzu Motor Vehicle Plant, and the Yunnan Blue Arrow Automobile Plant have, one after another, manufactured 1 to 1.5-ton light-duty trucks and vans. Their annual output will soon exceed 600,000 in the near future. The manufacture of light-duty trucks and vans affects a part of the market for 1 to 1.5-ton farm-use four wheelers. In addition, there is a difference in concept. It is believed that farm-use motor vehicles are actually simple cars. They should be manufactured according to unified standards and managed in the same way as cars, otherwise they will greatly affect the automobile industry. If they are treated in the same way as tractors, they can only operate on any highway below the third level. This will certainly limit the usefulness of the farm-use motor vehicles.

Because there is a fairly good market for farm-use motor vehicles at present, some tractor manufacturing enterprises have given top priority to producing farm-use motor vehicles, while attaching less importance to

the manufacture of tractors. Automobile plants which find it hard to develop further have also made full use of their relatively better manufacturing facilities to turn out farm-use motor vehicles. Some of automobile plants have simply invested in building farm-use motor vehicle factories, merged with farm-use motor vehicle factories, or produced automobiles and farm-use motor vehicles simultaneously. If automobile plants list farm-use motor vehicles as one of their products, use diesel engines as power systems and turn out motor vehicles in accordance with the standards set for farm-use motor vehicles, they undoubtedly could put pressure on existing farm-use motor vehicle plants.

**Although There Still Exist Some Resistance in Developing Farm-Use Motor Vehicles, There Remain Some Favorable Conditions.**

Farm-use motor vehicles can be used in both rural and urban areas and are quite popular among peasants. As long as they are marketable, they should be allowed to bring their special features into full play and develop healthily. Although they are of lower grade, they may also be included in the industrial development plan (guidance plan), and given the various preferential treatments which tractor manufacturers are now enjoying, before the automobile industry becomes a pillar industry prior to 2010. To formulate a "farm-use motor vehicle industrial policy" with reference to the "automobile industrial policy" will further promote the healthy development of the farm-use motor vehicle industry.

China has a vast rural area with uneven development in various localities. According to views of the Rural Social and Economic Investigation Group under the State Statistics Bureau of China, the actual growth rate of the per-capita net income of peasants is relatively low. It was only 3.2 percent between 1985 and 1993. To achieve the predetermined goal, it is necessary to increase this growth rate by more than 5 percent each year in the next six years. It is rather difficult to increase this growth rate to such a high level. Therefore, the less expensive multi-purpose farm-use motor vehicles will remain a top choice for consumers in the countryside.

It is not likely that the price of automobiles in China will drop drastically in the near future. Therefore, it is impossible that China's automobile industry will have a large impact on the market of farm-use carrier vehicles. Because farm-use motor vehicles have the largest market in China for consumers to buy them with their own money, their sales were unaffected when the automobile market slumped in 1986, 1989 and 1993. Instead, their sales sharply rose because the price of automobiles went downhill. Farm-use motor vehicles form the first echelon in China's automobile industry.

The several million users of farm-use motor vehicles are precisely the potential owners of Chinese automobiles in the future.

As we mentioned earlier, farm-use motor vehicles are transitional products under specific conditions in the course of building socialism with distinctive Chinese characteristics. With the development of our economic situation and continuous improvement of their production quality, the number of farm-use motor vehicles which are able to keep pace with market changes will continue to grow. According to statistics, there are 222.37 million farming households in China's rural areas right now. If we assume that 10 percent of them will buy farm-use motor vehicles, we need more than 20 million such vehicles. This market with the support of tens of million owners will be a lively one in despite of sharp competition.

Our views on the development of the farm-use motor vehicle industry are as follows:

There is an industrial policy to guide the overall development of the automobile industry. Clear-cut and appropriate guidance, targets, and measures are worked out for such industry. Therefore, we hope that the relevant department will also work out a policy for development of farm-use carrier motor vehicles as a guide to steady and healthy development of the manufacture of farm-use motor vehicles.

"Efforts must be made to strengthen our confidence and regard agriculture as our foundation." Farm-use carrier motor vehicles, particularly three-wheelers, are vehicles of the first choice in the rural areas at present. If we want to maintain this situation in the next several years, we must continue to keep the special features of the farm-use motor vehicles and design and manufacture such motor vehicles in accordance with peasant requirements so that users in rural areas are able to buy vehicles which are structurally simple, less expensive, easy to operate, economic, durable, safe, and reliable. That is to say that farm-use motor vehicles must be farming-oriented in the next few years. Such vehicles must be developed in accordance with the standards, rules, and regulations set for farm-use motor vehicles. The rural economy is continuously developing and requirements of farm-use carrier motor vehicles will become more rigorous. Therefore, we must continuously develop farm-use motor vehicles to keep pace with changes on the rural market to cater to the needs of rural users for a long time to come. Chinese peasant concepts on farm-use motor vehicles differ from that in foreign countries. In reality, our farm-use motor vehicles are mainly used for transportation between rural and urban areas. Actually

they can also be used for other purposes in farming. All such features are awaiting further development.

"Efforts must be exerted to keep pace with the market and make money as soon as there is a chance." After going through more than 10 years of development, the number of plants which are manufacturing farm-use motor vehicles now exceeds 200. In addition, more plants which originally produce automobiles and tractors are also planning to turn out such motor vehicles. In spite of the huge market, competition remains sharp. Therefore, enterprises must strengthen their efforts in production and marketing. The automobile industry abroad shows statistics with regard to the relation between output and production cost. When the output of cars rises from 1,000 to 50,000, the production cost may drop by 40 percent. When the output of cars rises from 50,000 to 100,000, the production cost may drop by 15 percent. When the output of cars rises from 100,000 to 200,000, the production cost may drop by 10 percent. Naturally farm-use motor vehicles in China are manufactured with labor-intensive methods. Production costs may not drop as sharply as those abroad when the output increases in large quantity. However, a large number of farm-use motor vehicles is now marketable. Efforts to rapidly increase production output and sales volume and to reduce production cost and earn more money will also greatly help enterprises carry out technical innovations.

China has a vast rural area with uneven development in various localities. Local customs and practices are also different in different areas. It is necessary for enterprises to divide all the markets in the country into different groups in accordance with their different requirements while taking into consideration the overall rural economy. For example, factors such as price, performance, color, and driving habits should be compiled and adjustments of varying degrees made for the specific market in different areas. Naturally the product is the same as far as the basic structure is concerned. This will help increase the production output and sales volume. The Toyota Company in Japan has a "3WIH" strategy. That is, understanding when time a consumer buys, what kind of car he buys, for what purpose he buys it, and how he

finances the purchase (with his own money, a loan, or public funds). According to a market survey, the best thing for an enterprise to do is to send the most appropriate and the least expensive product to a consumer. This will help the enterprise reap the largest economic and social benefits.

"We should be prepared for danger in time of peace, and speed up our development." If we are able to give all kinds of preferential treatment to farm-use motor vehicles and manage them in the same way we do tractors prior to 2010, it undoubtedly can be a valuable period for us to develop farm-use motor vehicles. It is estimated that the production of three-wheelers in China will continuously grow until the end of this century. However, production will start to decline when the automobile industry becomes a pillar industry. Later, three-wheelers will gradually be replaced by farm-use four-wheelers or automobiles. Naturally this period will not necessarily be short. The development of farm-use four-wheelers brooks no optimism, because four wheelers are similar to automobiles. They are both labor and technology-intensive products. They require large investment and are slow in yielding returns. Only by producing them in large quantity, will it be possible to reap relatively better profits. In the course of developing four-wheelers, we should not only form joint ventures and introduce foreign capital and equipment, but also learn from the automobile industry and make use of its technologies to speed up the development of four-wheeled carrier motor-vehicles.

Looking far and wide at the development of farm-use motor vehicles in China, we should say that there exist both opportunity and challenge and that there are both favorable and unfavorable conditions. Only by paying close attention to the macroeconomic policies of the state and the constantly changing market situation and continuously improving production quality and helping enterprises become more competitive, will it be possible to seize the opportunity and make use of all favorable conditions to overcome competition.



### East Region

#### Official Inspects Shandong Development Zone

SK2305065295 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 22 May 95

[FBIS Translated Text] From 20 to 21 May, Hu Ping, director of the Special Economic Zones Office of the State Council, inspected the Qingdao Economic and Technological Development Zone. After hearing in detail the work report of the development zone, Hu Ping stated: The Qingdao Economic and Technological Development Zone has been developing very rapidly over the past two years. Especially in the construction of infrastructural facilities, it established a good external image for its further development.

He held: The Qingdao Economic and Technological Development Zone should develop large projects relying more on harbors, but should not be impatient for success. It should be discreet in investing and should correctly spot the advantages of industry. It should also attach prominent importance to protecting natural resources in exploring coasts and form its own characteristics.

#### Shanghai To Sell 30 Small State Enterprises

OW2405015895 Beijing XINHUA in English  
0145 GMT 24 May 95

[FBIS Transcribed Text] Shanghai, May 24 (XINHUA) — By the end of this year this, China's leading industrial center, will sell off about 30 small money-losing state-owned enterprises to private businessmen.

According to local industrial officials, to turn small state-owned enterprises which have long incurred losses and operated under ineffective management into privately-owned joint-stock businesses is one of the main parts of the reform of industrial enterprises in Shanghai.

The Shanghai Badminton Factory is the fifth firm selected to pilot the practice.

The factory is China's oldest state-owned enterprise producing Hangkong (Aerospace) brand badminton. Its products have sold well for many years, but price rises for raw materials have made the company unprofitable.

The workers of the factory have asked to buy the property rights and turn the state-owned factory into a joint-stock business. Their request has been approved.

The 200 workers had to raise 1.5 million yuan to buy the property rights. And to show support for the reform measure, the Shanghai Recreational and Sports Corporation, holder of the Hangkong brand trade mark,

agreed to grant the joint-stock business the exclusive free-use right of the brand.

After the transformation, shareholders of the joint-stock business have shown high enthusiasm and put forward proposals for improving operation mechanisms, becoming market-aware, strengthening management and relying on science and technology to bring prosperity to the factory.

They have set the goal of making the business's profits quadruple the present figure in three years' time.

Moreover, four small state-owned enterprises — the Shanghai Lamps Factory, Shanghai Qunzong Timber Mill, Shanghai Nonferrous Alloy Casting No.1 Plant and Shanghai Medical Constant Temperature Equipment Factory — also changed into joint-stock economic entities and have reported good economic results.

#### Shanghai Increases Investment in Industry

OW2405090595 Beijing XINHUA in English  
0825 GMT 24 May 95

[FBIS Transcribed Text] Shanghai, May 24 (XINHUA) — In the first quarter of this year, Shanghai, China's largest industrial center, has injected 2.076 billion yuan of investment in 18 major industrial projects, and this figure represents 44 percent of the total investment for these projects for the whole year.

The 18 major projects will need a total investment of 4.7 billion yuan, and will have a total construction area of 390,000 sq m.

It is estimated that after completion, the 18 projects will add 9.6 billion yuan to the city's annual industrial output value.

Meanwhile, the projects will yield 2.1 billion yuan in tax payment, and will earn 819 million U.S. dollars of foreign exchange through exports.

#### Shanghai Establishes Share-Holding Companies

OW2405091895 Beijing XINHUA in English  
0853 GMT 24 May 95

[FBIS Transcribed Text] Shanghai, May 24 (XINHUA) — Shanghai has set up big share-holding companies to replace industrial administrative bureaus, as part of its efforts to push the reform in the industrial administrative system.

The newly-founded share-holding companies, including the Shanghai Machinery and Electronic Share-holding Group Company and the Shanghai Textile Share-holding Group Company, will supervise the operation and management of state assets in various industrial sectors.

The administrative function used to be undertaken by industrial bureaus under the economic committee of the municipality.

Officials said that with approval from the central government, Shanghai will cut 31 municipal offices and bureaus, but will establish four new bureaus that are important.

#### **Zhejiang Circular on Rural Party Organs**

OW2305132195 Hangzhou ZHEJIANG RIBAO  
in Chinese 27 Apr 95 p 1

[Article: "Provincial Party Committee Maps Out Comprehensive Plan for Further Strengthening Grass-Roots Rural Party Organizations"]

[FBIS Translated Text] The Zhejiang Provincial CPC Committee issued the "Circular on Further Strengthening Grass-Roots Rural Party Organizations" the other day. The circular calls on grass-roots rural party organizations in the province to, for now and in the near future, comprehensively raise their skills and level in leading the masses of the people in working for prosperity and a well-off life in close connection with the general goal of achieving a comfortably well-off life and building a new socialist countryside and in accordance with the requirements of electing a good leading body, bringing up a good contingent of cadres, establishing a suitable development approach, developing a good operating mechanism, and establishing a sound management system.

The circular points out: The 70,000 or so grass-roots rural party organizations across the province are the basis for carrying out all party work and for building up the fighting capability of the party in rural areas. Cities, prefectures, and counties across the province must work out —on the basis of research and investigations and in close connection with the actual conditions of rural reform, development, and stability— specific plans for strengthening grass-roots rural party organizations for the next few years, annual plans of implementation, and tasks for different phases and earnestly organize efforts to carry them out. It is necessary to set different requirements on grass-roots party organizations in light of the varying conditions and provide guidance in accordance with different circumstances. As for party organizations that have competently implemented the party's line and policy and have been fairly successful in speeding up economic development and improving social conduct in their respective localities, it is necessary to set higher requirements on them so they will be even more successful and bring into greater play their exemplary, radiating, and promoting role. With regard to party organizations that are weak and lax in disci-

pline or those that have been paralyzed, it is necessary to devote major attention to help rectify them. Special attention should be paid to setting straight the leading bodies and solving outstanding problems hampering rural economic development. As for party organizations where circumstances are in between the two described above, we should help them earnestly sum up their experience, straightened out their thinking, reinforce their weak links, build up their own strength, and help them speed up the pace of economic development in their respective localities, promote spiritual civilization, and accomplish the goal of a well-off life at an early date.

The circular points out: A top priority in strengthening rural party branches is to strengthen the leading bodies and appoint competent branch secretaries, creating a strong combat collective capable of leading the masses in achieving a well-off life. It is necessary to appoint, in line with the principle of both political integrity and ability, as party branch secretaries upright and honest party members in their prime, capable of earnestly implementing the party's line and policy and leading the masses in the drive for prosperity. As for party branch secretaries with an obsolete mindset or those who lack a sense of responsibility for their work and can no longer play their role effectively, we should carry out readjustment in good time; branch secretaries who are old or in poor health as well as those who are illiterate or semi-literate should, in principle, be replaced. We should stick to the principle of "combining readjustment with training, with the emphasis on training" and raise the overall quality of leading bodies in a comprehensive manner. We should, by way of training and readjustment, strive to raise the education level of the province's village branch secretaries to the junior high school level or higher in the next five years, with more than half of them having an education level equivalent to senior high school or secondary specialized school.

The circular stresses that the reorganization and construction of the less advanced village party branches make up a key aspect of the efforts to strengthen grass-roots rural party organizations. Localities must reorganize the less advanced village party branches in a down-to-earth manner in line with the requirements of "making a simultaneous start and producing periodic results," avoiding "going through the motions." When reorganization is by and large completed, the county (city and district) party committees should organize personnel to check them one by one. The prefectural (city) party committees should conduct spot checks, and each level should submit a summing-up.

The circular also demands that vigorous efforts be made to strengthen party building in new economic orga-

nizations and to broaden the realms for building up grass-roots party organs in the countryside. As township (town) and village collective enterprises form the mainstay of new rural economic organizations, township (town) and village party organs should effectively manage township (town) and village collective enterprises to further consolidate and build up the material foundations for township (town) and village grass-roots organs' fighting capability. We should work out party-building plans for enterprises in light of the setup of their assets and changes in the management mode, and should readjust, rebuild, or set up new party organs of enterprises in good time, striving to ensure that the party's work keeps abreast of the growth of enterprises. Party-building work for other types of new economic organizations should be focused on setting up party organs and recruiting party members. We must work hard to ensure that workers of new rural economic organizations with more than 50 employees are recruited into the party and party organs are established in those with more than 100 employees in the next three to five years.

The circular proposes that earnest efforts be made to educate, manage, and develop party members to constantly instill new vigor and vitality into grass-roots party organs. The circular demands that a campaign to study the theory on building socialism with Chinese characteristics and the "party constitution" be carried out in a planned and systematic manner among party members in rural areas in the next three years. More than 90 percent of rural party members and ordinary party members and 100 percent of party member-cadres at and above the level of party branch committee members should take part in systematic study and training. Meanwhile, we should further persist in and perfect the management objectives responsibility system for party members, and set up sound rules and regulations for inner-party life. At present, particular attention must be paid to study solutions to outstanding problems among mobile party members who have left rural areas to engage in business activities in other localities, and to conscientiously enforcing the certificate system for mobile party members' activities and the trial implementation of the "interim procedures for managing mobile party members." In line with the principle of "adhering to standards, ensuring quality, improving structure, and developing prudently," we should earnestly develop party membership in rural areas. Beginning from 1995, party branches that have not recruited new party members in the past five years should actively nurture and develop new party members in the next three years; and those with members between 55 and 61 years of age constituting more than one-third of the membership should take action to nurture and recruit young party members under 35.

In conclusion, the circular calls on party committees at all levels to earnestly strengthen leadership over the construction of grass-roots party organs in rural areas, and to implement various rural grass-roots party-building tasks to the letter. County (city and district) party committees should set up a grass-roots party-building responsibility system, and each and every standing committee member of the county (city and district) party committees should establish a grass-roots party-building contact point, and regularly go down to the point to obtain first-hand information and to give concrete guidance. Township and town party committees should devote sufficient energy to promoting party building in villages and village and township enterprises. Each and every township and town party committee secretary, heads of townships and towns, and township and town cadres should be responsible for a village; and should be stationed there to carry out work on a regular basis. From now on, all city, prefectural, and county party committees should submit annual reports on progress in grass-roots party building in rural areas to party committees at the next higher level.

#### **Zhejiang Law Firms Handle Foreign Clients**

OW2305130395 Beijing XINHUA in English  
0714 GMT 23 May 95

[FBIS Transcribed Text] Hangzhou, May 23 (XINHUA) — East China's Zhejiang province now has 20 law firms capable of handling cases involving overseas clients, and they have offered legal services for 800 overseas funded enterprises and 150 foreign funded projects, a local justice official said today.

Legal services for overseas clients are booming in line with the province's redoubled efforts in opening to the outside world, enhanced personnel exchanges, increasing foreign trade and investment, the official said.

There was no law firm in the province specialized in cases relating to overseas parties before 1980, he said.

These law firms have handled some major and important cases with money involved amounting to 340 million yen. They provided some 600 legal documents and solved some 10 patent right disputes last year.

They helped to protect the legal rights of both Chinese and foreign parties involved.

For instance, a German company received compensation of 10,000 U.S. dollars last year from a Zhejiang toll producer with help of local lawyers as the latter was proved to have infringed upon its patent right.



The local law firms also maintain regular business and academic relations with lawyers associations in the United States, Britain, Japan and Hong Kong.

### Central-South Region

#### Guangzhou Industrial Economy Develops

OW2405020895 Beijing XINHUA in English  
0034 GMT 24 May 95

[FBIS Transcribed Text] Guangzhou, May 24 (XINHUA) — Industrial production and sales in Guangzhou have maintained their steady development in the first four months of this year, with exports of industrial products accounting for one-fourth of total industrial output value.

From January to April, the city had 43.64 billion yuan in industrial output, an increase of 17.6 percent over the same period of last year, and industrial sales reached 42.61 billion yuan, up 22.6 percent.

The export volume was 11.35 billion yuan, an increase of 34 percent, and export delivery volume was 10.79 billion yuan, accounting for 25.3 percent of the total industrial sales volume.

In the first four months, the city had 11.4 billion yuan in industrial added value, which is an increase of 17 percent over the same period of last year.

State-owned enterprises and state share-holding companies yield 54.4 percent of the total industrial added value for the whole city, while the other 43.1 percent comes from overseas-funded enterprises.

The industrial economic efficiency composite index of the city was revealed to be 112.5 percent, a rise of 8.4 percentage points over the same period of last year.

The index for large and medium-sized enterprises hit 147.6 percent.

#### Li Zibin Elected Mayor of Shenzhen

OW2405082895 Beijing XINHUA in English  
0756 GMT 24 May 95

[FBIS Transcribed Text] Shenzhen, May 24 (XINHUA) — Li Zibin was elected mayor of this south China city at the first session of the second municipal people's congress, which ended yesterday.

The 55-year-old deputy secretary of the Shenzhen Committee of the Communist Party of China became the sixth mayor of the vanguard city of China's economic reform and opening to the outside world, which borders Hong Kong.

He replaced Li Youwei, 57, who is now secretary of the Shenzhen Party Committee.

### New Leadership Lineup Detailed

HK2405082895 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1310 GMT 23 May 95

[By reporter Xue Donghe (5641 2639 0735) ]

[FBIS Translated Text] Shenzhen, 23 May (ZHONGGUO XINWEN SHE) — The Second Shenzhen City People's Congress closed today. Principal persons-in-charge of the new Shenzhen City People's Congress and Shenzhen City Government were elected during the congress.

The new Shenzhen City Government is headed by a mayor and five vice mayors. They are: Mayor Li Zibin [2621 1311 1755], Executive Vice Mayor Li Decheng [2621 1795 0015], and Vice Mayors He Jinghuan [0149 2529 3251], Wang Ju [3769 3515], Guo Rongjun [6753 2837 0193], and Yuan Ruwen [5913 3067 4489].

The new leading body of the Shenzhen City People's Congress is formed by Chairman Li Haidong [2621 3189 2639], and Vice Chairmen Li Guangzhen [2621 1639 6966], Zhang Zhonglin [1728 0112 2651], Zhang Yuqing [1728 0151 1987], Hu Zhengguang [5170 2398 0342], Ouyang Xing [2962 7122 2622], Liu Qiurong [0491 4428 1369], Liang Junhua [2733 0193 5478], and Hao Chunmin [6787 2504 3046].

### Shenzhen Officials Deny Arrest Reports

HK2305061095 Hong Kong SOUTH CHINA  
MORNING POST in English 23 May 95 p 7

[By Irene So]

[FBIS Transcribed Text] Shenzhen officials yesterday denied reports that two former vice-mayors had been arrested for corruption. Vice-Mayor Li Guangzhen and government spokesman Huang Xinhua separately denied reports that Li Chuanfang and Zhang Hongyi were being detained in Beijing.

Ms Li and Mr Zhang, along with 82 other senior officials and company executives, were yesterday reported to be under investigation by a team led by Secretary-General of the State Council, Luo Gan. Vice-Mayor Li said the report was "totally false" and stressed that Ms Li and Mr Zhang had left the Government as part of a routine reshuffle.

Chinese sources said Mr Luo's investigation team arrived in Shenzhen more than a week ago to look into corruption charges related to the city's tax and customs departments. They claimed the investigation was linked to cases in Beijing.

**Shenzhen Mayor on Losing Special Treatment**

HK2405090395 Hong Kong HONGKONG  
STANDARD in English 24 May 95 p 6

[By Amy Liu in Shenzhen]

[FBIS Transcribed Text] Shenzhen is struggling to develop, as the Special Economic Zone (SEZ) is losing many of the advantages of preferential treatment granted by Beijing, the newly-elected mayor admitted yesterday.

Li Zibin said the SEZ could no longer rely on special treatment for development but needed to undertake further reforms.

Shenzhen should focus on improving management, perfecting its industrial structure, upgrading skills and improving the investment environment and legal establishment, he said.

However, Mr Li said the SEZ, after 15 years of rapid economic growth, maintained some advantages over other regions such as stronger economic strength and better management. These factors had allowed the city to develop faster.

"The proximity of Hong Kong is an irreplaceable advantage to Shenzhen when compared with the other regions in China," he said.

Mr Li said Shenzhen would work on economic integration between the city and Hong Kong. This would include improving transportation and infrastructural facilities as well as the laws and economic operations between the two sides, he said.

He pledged to develop Shenzhen into a regional centre of finance, trade and transportation by the beginning of the next century.

Meanwhile, he said he would strengthen the management of the civil service and restructure government institutions to boost efficiency.

On China's ongoing anti-graft campaign, he said the ruling Chinese Communist Party was not the only party that faced such problems. "There was rampant corruption before 1917, before the Communist Party was born," he said. "There is corruption in China as well as other countries."

**Shenzhen Mayor To Crackdown on Corruption**

HK2405090595 Hong Kong SOUTH CHINA  
MORNING POST in English 24 May 95 p 10

[By Irene So in Shenzhen]

[FBIS Transcribed Text] The newly-elected mayor of Shenzhen, Li Zibin, yesterday promised he would leave no stone unturned in the crackdown on corruption.

Mr Li, who succeeded Li Youwei, acknowledged corruption was a deep-rooted problem in Shenzhen but said he would do everything in his power to build a clean and honest administration.

Speaking at the end of the six-day Shenzhen People's Congress, the new mayor threw down the gauntlet to corrupt officials, pledging the Government would prosecute any so-called "protection umbrellas" or officials who offered protection to their subordinates or relatives suspected of corruption. "If you reporters find any of these 'protection umbrellas' in Shenzhen, please let us know.

"We will arrest every single one of them," Mayor Li pledged at the press conference held after the congress.

According to him, guidelines will be issued to prevent officials from abusing power, especially in areas such as the vetting of real estate and the Government's infrastructure development contracts.

And Shenzhen will routinely rotate its officials to prevent them from establishing "power bases" in the Government.

"We should not allow one to stay in a position for too long otherwise it will easily result in inefficiency and abuse of power," the mayor said.

Meanwhile, the former mayor and Shenzhen Party Secretary Li Youwei dismissed reports that two former senior members of his Government had been investigated for corruption.

He branded the reports "nonsense" and said the three former vice-mayors — Li Chuanfang, Zhang Hongyi and Zhu Yuening — had left the Government after serving 10 years.

He said it was a requirement under the Organisation Law in China.

Mr Zhang will soon take up a senior position in the Bank of China in Hong Kong, and Mr Zhu has been transferred to the Overseas Chinese Affairs Department under the State Council. Guangdong Provincial Government will soon announce a new job for Ms Li.

Apart from corruption, the new mayor yesterday blamed the soaring crime rate in Shenzhen on a police manpower shortage and lack of facilities.

He said Shenzhen needed 8,000 more police to keep the city safe.

"According to the (Guangdong) provincial requirements, we should have 17,000 policemen but now we've only got about 9,000," he said.

"And officers often could not arrive at the scene on time to catch thieves due to their unsophisticated facilities in telecommunications and transportation," Mayor Li said.

### Southwest Region

#### Tibetan Buddhists Condemn Dalai Lama's Act

OW2405040895 Beijing XINHUA Domestic Service  
in Chinese 1711 GMT 22 May 95

["Statement of the Tibetan Branch of the Buddhist Association of China, Issued on 22 May 1995"]

[FBIS Translated Text] Beijing, 22 May (XINHUA) — On 14 May, the Dalai Lama suddenly announced in India that a Tibetan boy was the "reincarnation of the Panchen Lama." In view of this important event that involves Tibetan Buddhism, the Tibetan branch of the Buddhist Association of China hereby solemnly issues the following statement:

1. The titles of the Gelugpa Sect Dalai and Panchen Lamas of Tibetan Buddhism were conferred by the central government of the Qing Dynasty, and since then confirmation of the reincarnations of the Dalai and Panchen Lamas must be reported to the central government for approval. In 1653, during the reign of Qing Dynasty Emperor Shun Zhi, the central government officially conferred the title of Dalai Lama on the Fifth Dalai Lama. In 1713, during the reign of Qing Dynasty Emperor Kang Xi, the central government officially conferred the title of Panchen Lama on the Fifth Panchen Lama, thus confirming the status of the Panchen in the Gelugpa Sect. Since the central government promulgated the system of "drawing lots from a golden vessel" in the 57th year of the reign of Emperor Qian Long of the Qing Dynasty (1792), the search for a reincarnation of both the Dalai and Panchen Lamas has followed a ritual, under which, several potential reincarnations are located and the child is selected through drawing of lots in a golden vessel in front of the statue of Sakyamuni. The final choice should then be forwarded to the central government for approval. This historical practice and established rule have continued for more than 200 years, and we hold this to be the only valid way of confirming the reincarnated Dalai and Panchen Lamas.

2. The search for the reincarnation of the 10th Panchen Lama and its confirmation must follow the abovementioned historical practice and established rule, and the result must be reported to the central people's government for approval. By arbitrarily announcing the so-called "reincarnated child of the 10th Panchen Lama" while he is outside of Tibet, the Dalai Lama violated religious ritual and historical practice. We maintain the announcement is illegal and invalid, and we will never recognize it.

3. The Dalai Lama has seriously interfered with the work of searching for and confirming the reincarnation of the 10th Panchen Lama; profaned religious ritual and established historical rules; shown contempt for the rights and dignity of Tibetan Buddhism; trampled on the religious feelings of Buddhist monks and nuns and religious believers; and gone against the wishes of the Panchen Lama, in an attempt to damage the latter's brilliant patriotic image. The Dalai Lama must undertake the historical responsibility for what he has done.

4. We hope that people of religious circles and religious believers throughout the region will earnestly implement the State Council's principles and policy on the work of searching for the reincarnation of the Panchen Lama, resolutely take the stand of loving the country and loving religion and of safeguarding the reunification of the motherland, take a clear-cut stand in resisting all illegal acts and phenomena of trampling on religious rules, and safeguard the dignity of Buddhist doctrine and religious rules.

5. The search for and confirmation of the reincarnation of the 10th Panchen Lama is an important event for Buddhists and religious people, and has attracted great attention at home and abroad. We are convinced that under the leadership of the party and government and with the concerted efforts of people of Buddhist circles in Tibet, we will be able to remove all types of interference and successfully complete the important work of searching for and confirming the reincarnation of the 10th Panchen Lama soon.

#### CPPCC Condemns Act

OW2405090495 Beijing XINHUA in English  
0834 GMT 24 May 95

["Dalai's Claim Refuted as 'Sinister Conspiracy'"]

[FBIS Transcribed Text] Lhasa, May 24 (XINHUA) — The Committee of the Chinese People's Political Consultative Conference (CPPCC) of the Tibet Autonomous Region published a solemn statement at its third session today on refuting the sinister conspiracy by the Dalai clique to disrupt the search for the child who is the reincarnation of the Panchen Lama.

The statement was in response to the Dalai Lama's sudden announcement on May 14 this year of the finding of such a child, and was agreed upon all the committee members attending the session.

The statement said that the 10th Panchen Lama was a great patriot, political activist, sincere friend of the Communist Party of China and outstanding leader of Tibetan Buddhism.



He adhered to the stand of loving the country, and loving the Buddhist religion, unity and progress, and strongly objected to separatism and retrogression. He devoted his whole life to working for the unification of the motherland and unity among China's different nationalities, the statement says.

But the Dalai Lama fled abroad after instigating an abortive armed rebellion in Tibet in 1959.

In the past few decades, ignoring the interests of the people of all nationalities in Tibet, the Dalai Lama has organized a so-called "government in exile" and has long been engaged in activities to split the motherland, damaging the harmony and unity among the nationalities.

He is a "ringleader of a counter-revolutionary political clique, and is despised by all the people of Tibet," the statement says.

"It has been proved that the 10th Panchen Lama and the 14th Dalai Lama took two totally different paths," it says.

After the 10th Panchen Lama was installed on his holy throne, the Dalai Lama and the former Tibet local government spared no efforts to prevent him returning to Tibet, and incited their followers to slander him continuously, the statement goes on.

And now, the sudden and too eager announcement of the "finding of the reincarnation of the Panchen Lama" has effectively exposed the true intention of the Dalai Lama to take advantage of the search for the Panchen Lama's reincarnation to continue his separatist activities, the statement says.

"We feel extremely indignant at the despicable trick of the Dalai Lama clique," the statement says.

It explains that since the 57th year of the reign of Emperor Qian Long (1792) of the Qing Dynasty, the search for the children who were the reincarnations of either the Dalai or Panchen lamas it has been necessary to follow a certain religious ritual, according to which several children who are potential reincarnations should be located and the actual reincarnation should be selected through lot-drawing in front of a statue of Sakyamuni. And then the final choice should be forwarded to the Central Government for approval. This has become a historical convention and a fixed rule, the statement says.

No religious rituals were followed and no lot-drawing in front of a statue of Sakyamuni was held, not to mention the choice not being forwarded to the Central Government according to historical conventions. Therefore, the Dalai Lama's announcement that the Panchen Lama's reincarnation had been found was

illegal and no more than a political plot, the statement says.

The Dalai Lama's intention is to disrupt the work of the search for the Panchen Lama's reincarnation, destroy the stability of Tibet and achieve its final sinister goal of separating Tibet from the motherland, the statement says.

"We strongly condemn the Dalai Lama's activities in disrupting the search for the reincarnation of Panchen Erdini, and the child the Dalai Lama claims is the reincarnation is a fraud," the statement declares.

The CPPCC regional committee called on the subcommittees under it, people in the united front departments and personages in ethnic and religious circles to be united with the CPC Central Committee with Jiang Zemin as the core, continue waving the flag of patriotism, get a clear understanding of the situation, tell right from the wrong, stick to the right stance and the truth, and fight the Dalai Lama's illegal activities together with the broad masses of the Tibetan people.

These organizations and personages should bring their roles into full play under the direct leadership of the regional party committee to maintain stability and development in Tibet and promote its social progress at all fields, the statement says.

The CPPCC regional committee also supports the principles and decisions set by the central authorities for the finding of the child who is the reincarnation of the Panchen Lama, it says.

The committee also supports the leading group and the consultation group for finding the reincarnation in its efforts to rid itself of disruptions, unite religious believers, speed up the finding and verification work of the Panchen Lama's reincarnation according to religious rituals and fixed historical rules, and completely defeat the plots and conspiracies of the Dalai Lama clique, the statement says.

## North Region

### Hebei Court President Removed From Office

HK2305143295 Beijing RENMIN RIBAO in Chinese  
12 May 95 p 4

[Dispatch from Beijing by staff reporter Chen Weiwei (7115 4850 0251), 11 May: "President of Hebei Higher People's Court Has Been Dismissed From His Post for Long-Term Rent of Luxury Limousine With Public Funds, and Using Public Property Gratis"]

[FBIS Translated Text] It has been learned from a news conference called today by the Central Commission for

Discipline Inspection and the Supervisory Ministry that recently, with assistance of the Hebei provincial party committee and the provincial commission for discipline inspection, the Central Commission for Discipline Inspection had seriously investigated and handled the case of Ping Yijie —former Hebei provincial party committee member, concurrently president of the provincial higher people's court, and its party group secretary—who committed the mistakes of renting a luxury limousine with public funds and of using public property gratis in pursuit of his personal pleasure. Through study by the Central Commission for Discipline Inspection, a decision on removing Ping Yijie from inner-party office was submitted to, and approved by the Central Committee. Not long ago, the National People's Congress Standing Committee approved his removal from the office of Hebei Higher People's Court president.

According to the investigation, when Ping Yijie was appointed secretary of Hebei's Cangzhou prefectural party committee in December 1991, the prefectural party committee allocated him a brand new Nissan at his disposal, but he was not satisfied with it. In September the next year, he rented a Mercedes-Benz from a unit in Beijing for his own use; it was on a three-year lease for 360,000 yuan. In May 1993, Ping Yijie was transferred to the office of president of the Hebei Provincial Higher People's Court, and he brought the Mercedes-Benz along with him. Regardless of the shortage of funds at the provincial people's court, he wanted the court to pay Cangzhou Prefecture 240,000 for the car's rent. In addition, during his tenure in the Cangzhou prefectural party committee, Ping Yijie wanted the prefectural party committee general office to "rent" 28 pieces of furniture, two color television sets, and two electric heaters, in addition to daily necessities including quilts, woolen blankets, window curtains, and an air-conditioner. During the period of "renting" all those things, he did not pay anything for them, but when he left Cangzhou, he brought along two color television sets, a Simmons bed, and the window curtains and blankets. For all this, he paid only 3,065 yuan; he paid another 1,800 yuan during the investigation by the organization.

#### Inner Mongolia Townships Increase Income

OW2405090395 Beijing XINHUA in English  
0818 GMT 24 May 95

[FBIS Transcribed Text] Hohot, May 24 (XINHUA) — In the inland Inner Mongolia Autonomous Region, 76 townships, the lowest [as received] administrative units in rural China, have achieved an annual production value of at least 100 million yuan each, indicating that

the regions's rural economy has grown by leaps and bounds.

Although the number of these townships only accounts for five percent of the total, their combined output value makes up one third of the total amount for all townships in the region.

The enterprises in these 76 townships absorbed 80 percent of the local laborers, and provided more than 75 percent of the local residents' income.

These townships attracted more and more talented people and investment, and the qualities of their products improved a lot, and some of them are selling well in the world market.

These rich townships are able to increase input into the farming sector and animal husbandry.

Meanwhile, these townships began to allocate funds to enhance infrastructural construction, such as water-supply systems, roads, and other public facilities.

#### Tianjin Issues Court Work Report

SK2305225695 Tianjin TIANJIN RIBAO in Chinese  
7 Mar 95 p 9

[Report given by Zhang Baifeng, president of the Tianjin Municipal Higher People's Court, on the work of the Tianjin Municipal Higher People's Court to the third session of the 12th Tianjin Municipal People's Congress on 24 February]

[FBIS Translated Text] Fellow deputies: I would like to report on the work of the court to this session for discussion.

In 1994, under the leadership and supervision of the party committees and the people's congresses and all levels of their standing committees and the Supreme People's Court as well as in line with the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, all levels of people's courts in Tianjin conscientiously carried out the guidelines of the third and fourth plenary sessions of the 14th CPC Central Committee; acted in close connection with economic construction; obeyed and served the general tasks of the whole party and the whole state; further strengthened the judicial functions of the people's courts in cracking down on crimes, protecting the people, regulating the economy, and serving the four modernizations; seriously enforced law, and handled cases impartially. Over the past year, 42,405 criminal, economic, civil, administrative, and other cases through the first and second trials were handled, up 10.1 percent over the previous year; and 42,953 cases were concluded, up 11.43 percent over the previous year. This

provided an effective judicial guarantee for Tianjin's reform, opening up, economic development, and social stability.

1. We gave stern and quick blows to serious criminal cases in line with the law, sternly dealt with serious economic crimes, exerted great efforts to safeguard social stability, and deeply carried out the anticorruption struggle.

The people's courts at all levels in Tianjin strengthened the function of the people's democratic dictatorship, gave stern blows to the criminal cases of seriously endangering the public security order, and sternly dealt with economic crimes. Over the past year, 6,923 criminal cases through the first trial were handled, up 24.05 percent over the previous year, and 6,896 were concluded, up 24.21 percent over the previous year. Of the 7,508 convicts whose verdicts went into legal effect, those who were sentenced to more than five years' imprisonment, life imprisonment, or capital punishment (including stay of execution) accounted for 28.7 percent; those who were sentenced to below five years' imprisonment, forced labor under detention for less than 60 days, put under surveillance, or given temporary suspension of the execution of a sentence, accounted for 68.99 percent; those who were exempt from criminal punishment accounted for 1.78 percent; those pronounced not guilty accounted for 0.37 percent; and those who were given additional punishment accounted for 0.16 percent.

A. We maintained the momentum of "giving stern blows" to crimes and added impetus in cracking down on crimes in an effort to safeguard social stability.

In line with the plan of the whole municipality, the people's courts at all levels made unified planning and acted in unison, actively participated in the battles of "giving stern blows" to crimes in spring and fall, and attained noticeable results. During the battles of "giving stern blows" to crimes in spring and fall, 2,971 criminal cases through the first trial were handled and 2,886 cases were concluded, respectively up 35.85 percent and 37.23 percent over the same period of last year. Of the 3,101 sentenced convicts, 905 were sentenced to above five years' imprisonment, life imprisonment, or capital punishment (including stay of execution.) During the battles of "giving stern blows" to crimes, we added impetus to cracking down on crimes, and resolutely gave heavy or capital punishment to those who deserve it in line with the law. The people's courts at all levels across the municipality actively cooperated with relevant departments to wage specific struggles against "pornography and illegal publications" and the "six vices." Therefore, 123 cases of the manufacture, sale, and publicizing of obscene articles, seduction of women

to become prostitutes, abduction and sale of people, gambling-related activities, and trafficking in narcotics were handled through the first trial over the past year, up 92.19 percent over the previous year, and 124 cases were concluded. At the same time, we strived to enhance the efficiency of handling cases by the method of getting involved in handling the major and serious cases ahead of time. As a result, the conclusion rate for criminal cases at the first trial level during January increased by 9.09 percentage points over the previous year. Through giving stern blows to serious criminal cases, the people's courts at all levels throughout the municipality made contributions for safeguarding the sustained stability of public security and making Tianjin continue to be one of the best areas in the whole state.

B. We sternly dealt with serious economic crimes and fought corruption in an effort to safeguard the socialist market economic order.

The people's courts at all levels handled 1,299 economic crimes through the first trial, up 66.75 percent over the previous year, and concluded 1,291 cases, up 68.98 percent over the previous year. Of the 1,200 economic offenders whose verdicts went into legal effect, 30 were sentenced for gaining the illicit income of more than 100,000 yuan, 29 were sentenced for gaining illicit income of between 50,000 and 100,000 yuan, and 217 were sentenced for gaining illicit income of between 10,000 and 50,000 yuan. This retrieved economic loss of 10,901,400 yuan for the state and the collectives. In judicial work, we paid attention to the following three points: 1) We paid attention to trying the major and serious cases involved in state functionaries who took advantage of their position and power to conduct bribery, corruption, and misappropriation of public funds. Over the past year, 292 corruption cases through the first trial were handled, up 33.94 percent over the past year, and 289 were concluded; 235 bribery cases through the first trial were handled, up 123.81 percent over the previous year, and 237 were concluded; and 85 cases of misappropriation of public funds were handled, up 254.17 percent over the previous year, and 80 were concluded. Yao Jianhua, former deputy head of Tanggu District, Gong Jifu, former section chief of the water conservancy bureau, and other serious economic offenders were given serious legal sanction. 2) We seriously and conscientiously tried economic crimes of endangering the socialist market economic order; accepted and heard 163 cases of smuggling goods, defrauding people of their money and belongings, evading, resisting, and escaping taxes, manufacturing and selling inferior and fake products, and forging or stealing the state's invoices for value-added taxes, or reselling them at a higher profit; and concluded 164



cases. For example, for the speculation and profiteering case of reselling the invoices for value-added taxes at the higher profit and issuing the false ones and creating the state's tax losses of more than 1.5 million yuan, Cui Wenrui, the principle criminal, was given capital punishment in line with the law. At the same time, we paid great attention to conscientiously trying major and serious crimes committed by units. For example, we fined the Tianjin maritime company for 620,000 yuan in line with the law and confiscated the smuggling goods worth of 2.4 billion yuan. Zhang Guizhen, the legal representative of the Tianjin maritime company, and other relevant responsible persons were respectively sentenced to fixed-term imprisonment.

3) We upheld the "resolute, cautious, and precise" principle; strictly carried out checks on the facts, evidences, and applicable laws for cases; correctly drew a clear line between being guilty and not guilty as well as between this crime and that crime; and guaranteed that the cases tried by the people's courts could stand the test of history. Through trying economic cases, the people's courts at all levels played a positive role in promoting Tianjin's anticorruption struggle and safeguarding the socialist market economic order.

C. We actively participated in the comprehensive management of public security, deeply conducted propaganda on the legal system, and exerted our efforts to prevent and reduce crimes.

The people's courts at all levels upheld the principle of "paying simultaneous attention to cracking down on and preventing crimes as well as to taking radical and stopgap measures" and penetrated the comprehensive management of public security throughout the whole course of various judicial tasks. In the course of trying cases of great influence involving many aspects, and having a direct bearing on the immediate interests of the masses, such as the cases on water conservancy, lands, bankruptcy, labor disputes, contracts, dismantlement and relocation of houses, money collection, and aquatics breeding, the people's courts at all levels proceeded from the overall situation of social stability, closely relied on the party committees at all levels, maintained close cooperation with relevant departments, depended on various social efforts, promptly removed contradictions, and prevented the occurrence of mass disputes and the collective appeal to the higher authorities for help. The people's courts at all levels paid simultaneous attention to handling cases and strengthening propaganda on legal education and handled 828 cases, 436 open trials, and 1,286 convicts. As many as 725,500 people participated as observers. The people's courts at all levels held seven news release meetings, printed and distributed 70,000 propaganda materi-

als, and broadcast 66 manuscripts in an effort to expand the social effect of handling cases. The people's courts at all levels continuously paid simultaneous attention to bringing juvenile criminals into trial and assisting them through education, upheld the principle of "integrating punishment with education," and actively carried out the work of assisting misguided youth through education. Some courts set up juvenile legal schools. This perfected various systems for strengthening the work of assisting the juvenile criminals through education and redeemed a number of young wrongdoers. In the administration of justice, we paid attention to legal policy education, the education of pleading guilty, and the education of reform through labor. We handled 2,379 cases of commuting penalties and handing down probationary sentences in line with the law. We helped relevant departments conscientiously do a good job in supervising and educating those who were given probationary sentences, exemption from punishment, and release on parole. We furthered strengthened the work of the people's courts and gave full play to their functional role in rectifying rural public security. In view of the issues emerging in the production, management, internal management, and security of the relevant departments and enterprises which were reflected in the course of trying cases, we promptly took the initiative in putting forward more than 220 judicial suggestions, and this achieved good social effect.

2. We actively tried economic cases relating to reform, opening up, and economic construction as well as provided judicial guarantee for the establishment and development of the socialist market economic system.

Under the condition of establishing and developing the socialist market economy, economic dispute cases appeared with the "numerous, new, difficult, and serious" trend, so the people's courts at all levels across the municipality heightened spirits, overcame difficulties, and strengthened study. Over the past year, 7,094 economic dispute cases through the first trial were actively accepted and heard, up 13.54 percent over the previous year; 7,218 cases were concluded, up 24.28 percent over the previous year; and the amount of money involved in the concluded cases totalled 16.09 billion yuan, up 53.67 percent over the previous year.

A. We actively accepted and heard various disputes emerging in the course of changing the management mechanism of the state-owned enterprises and establishing the modern enterprise system; accepted and heard a total of 429 cases on the contracting, lease, joint management, amalgamation, and bankruptcy of enterprises, up 42.95 percent over the previous year; and concluded 439 cases. Among them, the bankruptcy case of the Bohai Brewery in Tianjin was a fairly major and serious

one. Through judicial activities, the transformation of the management mechanism of the state-owned enterprises was promoted in line with the law.

B. We cooperated with the state to strengthen macroeconomic regulation and control and actively carried out special judicial activities of clarifying debts payable and receivable. Over the past year, we accepted and handled 3,692 marketing and selling contract dispute cases through the first trial, up 4.95 percent over the previous year; concluded 3,898 cases; retrieved debts for enterprises; and guaranteed the normal production and operation of enterprises. We accepted and heard 490 new cases on the financial order, such as the futures, bills, flotation of loans, and debit and credit sides, up 14.75 percent over the previous year, and concluded 469 cases. This played a positive role in safeguarding the stability of the state's financial order.

C. We properly handled the rural contract dispute cases. We accepted and heard a total of 311 cases, up 93.17 percent over the previous year; concluded 296 cases; consolidated the family-based, output-related land contracting responsibility system in line with the law; and boosted the productive enthusiasm of peasants. We promptly tried a number of economic dispute cases on the township enterprises, and this promoted rural economic organizations to go into production and operation in line with the law.

D. We conscientiously tried economic dispute cases of firms of foreign countries, Hong Kong and Macao, and Taiwan as well as tried maritime cases. Over the past year, a total of 233 cases were accepted and heard, 205 cases were concluded, and the amount of money involved in the lawsuits totalled 260.36 million yuan. The Tianjin maritime court put forward nine new and legally binding moves for foreign firms in an effort to protect the legitimate rights and interests of the Chinese and foreign persons concerned. This played a good role in providing judicial guarantee for improving Tianjin's investment environment as well as promoting foreign economic relations and trade and shipping undertakings.

E. We added impetus to trying the cases of dispute regarding industrial property rights. We accepted and heard a total of 42 cases on the patent, trademark, and technical contracts, and concluded 45 cases. Among them, the case of the director of the Harbin Magnetizer Factory who took legal proceedings against the Tianci Company in our municipality for infringing upon new patent rights was concluded, and the legitimate rights and interests of the Tianci Company were safeguarded in line with the law. Through protecting the industrial property rights in line with the law, the commercialization of scientific and technological achievements and

the healthy development of the market economy were promoted.

F. We actively applied the new procedure which was stipulated in the Civil Action Law. During last year, we issued 267 payment orders and two public notices to urge defendants to make repayments, and the amount of money involved in the orders and notices totalled 12.50 million yuan.

In the course of trying various cases, the people's courts at all levels across the municipality actively explored new ways for serving economic construction. Efforts were made to go down the units involved in the "two-two-two" project and some pilot units of establishing the modern enterprise system; carry out propaganda and consultation on the legal system; hold legal training lectures; and guide enterprises to go into production and operation in line with the law. Efforts were also made to adopt various forms to assist enterprises to perfect the contract management and work systems so as to stop up a loophole. The municipal higher people's court and the municipal economic committee jointly held the mobilization meeting on serving the "two-two-two" project and the pilot units of establishing the modern enterprise system as well as actively organized the court departments across the municipality to take concentrated operations on "clearing up debts." The broad masses of the judicial staff were not afraid of fatigue, had no fear in threats, withstanding pressure, overcame obstruction, fought to the bitter end, and recovered creditor's rights of 1.2 billion yuan for enterprises. We also maintained close ties with economic management departments. The municipal higher people's court actively participated in the work of the municipal economic dispute mediation office, mediated and resolved 119 disputes, handled 21 dispute cases with the symptom of intensifying contradiction, and achieved fairly good results.

3. We conscientiously handled civil and administrative cases, realistically protected the legitimate rights and interests of the person concerned, and promoted stability and unity.

In the course of reform, opening up, and economic development, the civil cases became more complicated. In order to realistically protect the legitimate rights and interests of the person concerned and promote stability and unity, the people's courts at all levels across the municipality devoted great efforts to trying civil cases; accepted and heard 24,612 civil cases through the first trial, up 6.68 percent over the previous year; and concluded 24,980 civil cases through the first trial, up 7.19 percent over the previous year. In line with the "Marriage Law," the "Law for Protecting the Rights and Interests of Women," "some regulations on protect-

ing the legitimate rights and interests of women and children," and "some regulations on protecting the legitimate rights and interests of the aged," we conscientiously tried cases on marriage and family disputes. We accepted and heard 14,271 marriage and family cases through the first trial, up 3.11 percent over the previous year, and concluded 14,479 cases. This played a positive role in promoting the family harmony and protecting the legitimate rights and interests of women, children, and old people. The civil division of the people's court in Hedong District was awarded the national advanced unit of protecting the legitimate rights and interests of women. We actively tried various civil disputes relating to the market economic development. We accepted and heard 2,848 real estate cases through the first trial and concluded 2,920 cases; accepted and heard 3,429 debts cases through the first trial and concluded 3,473 cases; and accepted and heard 261 labor service dispute cases and concluded 274 cases. Through judicial activities, the urban construction, housing renovation, and the renovation of the dangerous and shabby houses were smoothly carried out, the legitimate rights and interests of creditors were safeguarded, and the normal order of the real estate and labor service markets was guaranteed. We accepted and heard 2,464 compensation cases through the first trial, up 2.28 percent over the previous year, and concluded 2,497 cases. This abolished the antagonism of the persons concerned and safeguarded social stability. We paid attention to studying the new situations and issues of the civil cases emerging in the course of establishing the market economy, made a special effort to study the issue of protecting the copyright, and exerted our efforts to perfect the system of studying the knotty and new cases. In view of the private house disputes happening in the course of dismantling and relocating houses and the new issues emerging in the divorce cases, the municipal higher people's court formulated and issued the "summary of handling some issues on dividing the properties of the man and wife and bringing up children" and other guiding documents in an effort to do a good job in trying civil cases.

The people's courts at all levels actively and reliably tried administrative cases; accepted and heard 165 administrative cases through the first trial, up 2.48 percent over the previous year; and concluded 178 cases, up 10.56 percent over the previous year. Among them, the cases of maintaining the specific administrative behaviors of administrative organs in line with the law accounted for 28.09 percent, the cases of rescinding or changing the original penalty and legal decision accounted for 6.18 percent, and the cases of withdrawing charges by the person concerned accounted for 41.57 percent. This played a good role in safeguarding the legal administrative behaviors and dismissing or changing

the posts of the personnel with law-breaking or unfair administrative behaviors in line with the law. We added impetus to trying the cases of infringing upon the enterprise management decision-making right and the administrative cases involved in the urban construction, land planning, labor administrative management, family planning, public security, and transportation. We further increased the impetus of trying administrative cases, accepted and heard 1,047 administrative cases, concluded 1,047 cases, and supported administrative organs to perform administration in line with the law. In view of the large increase of administrative lawsuits and cases in the work of dismantling and relocating houses, the municipal higher people's court set norms for the work of dismantling and relocating houses, formed linking ties between the law enforcement of the responsible administrative departments and the judicial procedure of the court, and guaranteed the legitimate rights and interests of the people whose houses were dismantled and relocated and the smooth progress of the renovation of the dangerous and shabby houses.

4. We strengthened and perfected the work of handling complaints and lawsuits in an effort to guard the sanctity of the law.

The people's courts at all levels across the municipality strived to do a good job in placing cases on file for investigation and prosecution. The municipal higher and intermediate people's courts tried out the system of separating investigation and prosecution of the registered cases from the trials and respectively established offices for filing cases for investigation and prosecution. We actively accepted and heard various new cases emerging in the course of developing and perfecting the market economic system in an effort to realistically protect the lawsuit right of the person concerned. We strengthened mediation work before lawsuits, promptly mediated and handled 792 simple disputes, and promptly and properly handled five cases of collectively appealing to the higher authorities for help and 97 cases with the symptom of intensifying contradictions. The work of letter reports and visits was strengthened, a total of 7,631 letters from the masses were handled, and 47,602 visits from the masses were received. We strengthened ties and cooperation with relevant departments as well as mediated and handled 23-odd long, unsettled cases. In line with the principle of seeking truth from facts and rectifying whatever is wrong, we actively and cautiously handled the cases of appealing a legal decision by the person concerned and the cases of filing an appeal contesting a legal decision by the procuratorial organs; filed, accepted, and heard 977 various dispute cases; concluded 1,019 cases; and changed the original sentences for 76 cases. We accepted and heard 29 cases of filing



an appeal contesting legal decisions by the procuratorial organs and concluded 28 cases. Among them, we changed the original sentences of six cases, sent back five cases to the original responsible courts for retrial, rejected nine cases, and handled eight cases involved in withdrawing an appeal contesting a legal decision by procuratorial organs. The municipal higher people's court summarized the work experiences of the court departments in handling the lawsuits and complaints, formulated the "details for handling lawsuits and complaints (trial use)" and other documents for keeping the handling of lawsuits and complaints within the proper bounds, and strived to enhance the level of handling lawsuits and complaints.

The people's courts at all levels added impetus to enforcing the law, accepted and heard 7,060 cases, concluded 7,052, up 17.57 percent over the previous year, and the amount of money involved in the concluded cases totalled 259.11 million yuan, up 5.09 times over the previous year. The municipal higher people's court strengthened organization, guidance, and coordination of the law-enforcement work of the courts across the municipality as well as organized and carried out the concentrated law-enforcement activities across the municipality. In the course of conducting concentrated law-enforcement activities, we resolutely and forcibly executed the court's ruling which has come into force on the appellee who has the ability to carry it out but refuse to do it in an effort to safeguard the sanctity of the law. For the appellee who temporarily has no ability to carry out the court's ruling which has come into force, we actively did a good job in mediating the two parties concerned as well as used the methods of executing the court's ruling by stages, staying the execution of the ruling, or using goods to replace debts to urge the defendant to carry out the ruling. We paid attention to the methods for executing rulings, and persisted in executing rulings in line with the law and in a civilized manner. We overcame and boycotted local protectionism and properly handled the relationship between local and overall interests. We conscientiously and responsibly did a good job in judicial assistance. The municipal higher people's court properly mediated and handled five law-breaking cases that the courts at other places outside the municipality forcibly restrained "hostages" in our municipality; actively handled the incidents that the cadres of courts were beaten and railed in the course of enforcing the law; and punished the behaviors of impairing law enforcement in line with the law. At the same time, we promptly asked for instructions from and submitted reports to the party committee and the people's congress in the locality, reported work situation to the municipal government, maintained ties with various relevant units, took the initiative in striving for support and co-

operation, and did a good job in handling a number of "long-standing, big, and difficult" cases.

5. We deeply carried out the activities of "striving to be the best court," accelerated the progress of improving the court itself, and comprehensively strengthened the contingent construction.

The people's courts at all levels across the municipality carried out activities of "striving to be the best court" in a down-to-earth manner, actively explored the way for the reform of the court work, and enhanced the overall work level of the court departments across the municipality.

A. The ideology, ideas, and work style were further transformed. The leaders of the people's courts at all levels established the ideas and work style of advancing in pioneering spirits, dealing with concrete matters relating to work, and blazing new trials; acted in line with the demand of "striving to be the best court" which was put forward by the higher people's court and the special plan for implementation which was formulated by their own units, and firmly grasped the implementation. The internal management mechanism of courts was strengthened. The municipal higher people's court formulated the "details for evaluating the target responsibility system of court work," and formulated and perfected various rules and regulations with the post responsibility system as the core. The broad masses of cadres and policemen gradually established the law-enforcement ideology of meeting the demand of socialist market economic development and keeping pace with economic construction and judicial work in an effort to give full play to the judicial and service functions.

B. We regarded raising the level of law enforcement as the starting point and actively explored ways for reforming court work. In reforming the methods for trying cases, we upheld the system of public trials, strengthened the judicial function of courts, perfected the testimony and collegiate systems, and guaranteed that the quality and efficiency of handling cases would be enhanced. Through the forms of inspecting and learning from each other, conducting appraisal, and holding forums, the municipal higher people's court strengthened organization and guidance on the reform of the methods for trying cases. We advanced with new strides in the reform of the management mechanism of cadres. In order to do a good job in training the reserve cadres and promoting the internal and external exchange of the court cadres, the municipal higher people's court made specific regulations. In augmenting the personnel of the court departments across the municipality, we carried out unified examinations and selected the excellent ones. We also firmly grasped the

work of establishing courts and judicial organs. In line with the practical demand and rural characteristics, some courts in the suburban counties established a number of people's courts. Quite a few courts established the special judicial courts or collegiate benches specifically on the cases of industrial property rights, finance, real estate, and the protection of the rights and interests of consumers.

C. We made significant achievements in judicial supervision and vocational guidance. The municipal higher and intermediate people's courts strengthened the judicial supervision of persisting in regarding democratic centralism as the key content, strengthened judicial discipline, further defined work division and cooperation of judicial organs, rationalized the relationship between people's courts at the higher level and the people's courts at the lower level, and guaranteed serious law enforcement. The leaders of the people's courts at all levels regarded deeply conducting investigation and study as an important task of guiding administration of justice, strengthened organization and guidance on the investigation and study work, and gradually perfected investigation and study information networks. Specifically on issues in the judicial work demanding urgent solution, through investigation and study of the municipal higher people's court and the examination and approval of the judicial committee, 14 vocational documents for guiding judicial work were formulated and issued. The presidents of the people's courts at all levels across the municipality personally wrote 21 investigation and study reports, and some investigation and study topics were highly valued by the municipal relevant leaders. The broad masses of cadres and policemen actively participated in investigation and study and wrote 386 investigation and study articles, in which, more than 50 vocational documents for guiding judicial work were formed.

D. We strengthened contingent construction with the building of clean politics as the core. The people's courts at all levels upheld the principle of "taking a two-handed approach in work and being tough with both" and further strengthened the contingent construction in the course of carrying out the judicial work. We conscientiously organized the broad masses of cadres and policemen to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics in an effort to unceasingly enhance the political consciousness and theoretic quality of the broad masses of cadres and policemen. We held the municipal meeting on the ideological and political work of the court departments; summarized and exchanged ideological and political work experiences; conscientiously grasped patriotism, collectivism, socialism, and the pioneering spirit education under the new period advocated by General Secretary

Jiang Zemin; actively carried out the activities of impelling various units to "strive to be the best" and judicial personnel to "strive to be the expert of handling cases;" and further strengthened ideological and political work. Over the past year, a number of advanced collectives and individuals of seriously enforcing the law and handling cases impartially in the court departments across the municipality came to the fore. Among them, one collective and seven comrades gained an award of the second-class merit, two collectives and 34 comrades gained an award of the third-class merit, and 11 comrades were elected the "excellent cadres and policemen of honestly and diligently enforcing the law and serving people." In line with the instruction of making cadres honest and self-disciplined formulated by central authorities, we deeply carried out the activities of self investigation and self rectification. We formulated and perfected the measures and systems for building clean politics. We conscientiously carried out the "system of investigating and affixing the responsibility of law-enforcement personnel who wrongly handle cases." We carried out special activities for rectifying work style and strengthening discipline in the court departments across the municipality. In the course of carrying out the special activities, we regard handling the "cases of establishing relationship with law-enforcing personnel" and the cases of establishing underhand connections for the sake of personal gain" as the key content. The municipal higher people's court resolutely investigated and handled the law- and discipline-breaking cadres and policemen, and seriously handled 10 law- and discipline-breaking cadres and policemen. We further strengthened vocational training, carried out 392 training lectures in line with the newly promulgated laws, and through studying the "National Compensation Law," made good preparation for carrying out the law. At the same time, we strengthened the consciousness of seriously enforcing the law of the broad masses of cadres and policemen. Two hundred and fifteen college students and 170 specialized school students studying in the branch of the court's part-time university were graduated, and the training educational work plan put forward by the Supreme People's Court was accomplished ahead of schedule.

E. We consciously accepted the supervision of the people's congresses and their standing committees. The people's courts at all levels always persisted in placing various tasks of the people's courts under the supervision of deputies and the masses; conscientiously carried out the motions, suggestions, criticisms, and opinions proposed by deputies; took the initiative in inviting deputies to the people's courts to inspect work situation, listen to opinions, and make suggestions for improving the work of courts; and invited some deputies

and committee members of the Chinese People's Political Consultative Conference as the supervisors of the law and discipline enforcement of the people's courts. The people's courts at all levels consciously accepted supervision, persisted in monitoring and revisiting the persons concerned after concluding cases, and conscientiously listened to their opinions on the judicial work. In line with the guidelines of the municipal people's congress work meeting, the municipal higher people's court revised the regulation of accepting the supervision of the people's congress. During last year, some deputies of the municipality, district, and county people's congresses carried out appraisal on the work of trying civil cases of the municipal intermediate court and some district and county courts. In the course of carrying out appraisal, deputies fully affirmed work achievements, but also pointed out the shortcomings and deficiency of the court work. In line with the opinions and suggestions of deputies, the municipal higher and intermediate people's courts conscientiously formulated the rectification plan. For the time being, the rectification plan has been firmly and successfully carried out.

Over the past year, the people's courts at all levels across the municipality made good progress in various tasks, but some problems also existed, such as: 1) The leading cadres and judicial personnel should further enhance the recognition of the new situations and tasks emerging in the judicial work. 2) The people's courts at the higher level fail to give prompt and effective supervision and guidance on the people's courts at the lower level. 3) The quality and efficiency of handling some cases are low. 4) There are still some weak links in the contingent construction with the building of clean politics as the core, for example: The situations of establishing relationship with the law-enforcement personnel and "establishing underhand connections for the sake of personal gain" still exist in varying degrees. The individual judicial personnel take a cold and stiff attitude towards the person concerned. 4) The situations of breaking the law and discipline by the cadres and policemen of courts still exist. At the same time, the people's courts at all levels across the municipality still have some difficulties, of which, the main one is that the material equipment and the working condition still cannot adapt to the demand of the judicial work. Therefore, we should attach great importance to these problems and difficulties and adopt feasible measures to resolve them by this year.

Fellow deputies: This year is the last year to carry out the "Eighth Five-Year" Plan and an important year to attain the goal of "invigorating the municipality by making people rich or prosperous" as well as for creating Tianjin's brilliant success once again. Under this situa-

tion, people's courts at all levels across the municipality should act in line with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line; conscientiously carry out the guidelines of the 14th National Party Congress and the third and fourth plenary sessions of the 14th CPC Central Committee; obey and serve the general tasks of the entire party and entire state; and act in close connection with the demand of "promoting economic development to a new stage and various tasks to a new level as well as making new breakthroughs in the crucial issues that promote the overall situation and in the weak links that restrict the overall situation" set forth in the third enlarged plenary session of the sixth municipal party committee. People's courts at all levels across the municipality should continue to deeply carry out the activities of striving to be the best courts; pay simultaneous attention to judicial work and contingent construction; use the best judicial contingents to promote the best judicial work; further strengthen the function of cracking down on serious criminals and economic crimes; devote great efforts to safeguarding social stability and guaranteeing the smooth progress of the 43th Table Tennis Championship; exert efforts to safeguard the unified, open, competitive, and orderly market economic order; and create a good social environment for promoting economic development and for making the masses and people live and work in peace and contentment. People's courts at all levels across the municipality should further strengthen the function of improving the relations between economic, civil, and administrative laws; strengthen the impetus of enforcing the law; and provide judicial guarantees for strengthening and improving macroeconomic regulation and control, for deepening the reform of state-owned enterprises, for invigorating the rural economy, for promoting scientific and technological progress, and for strengthening the people's unity. In the course of trying various cases, we should pay attention to the two priorities of guaranteeing judicial justice and comprehensively enhancing the quality and efficiency of handling cases and achieving good social effects. For this, we should exert great efforts to make new breakthroughs in enforcing the law, in conducting investigations and law, in carrying out court reform, and in strengthening contingent construction in an effort to further promote the overall work of court departments across the municipality.

During this year, the people's courts at all levels across the municipality should closely rely on the leadership of party committees at all levels; consciously accept the supervision of the people's congresses and their standing committees at all levels; uphold the principle of serving the people wholeheartedly; advance in pioneering spirits; and go all out. They should make



new contribution for safeguarding social stability; for guaranteeing Tianjin's reform, opening up, economic development, and social progress; and for realizing the overall strategic goal of promoting Tianjin's economic development.

### Northeast Region

#### Heilongjiang Secretary on Industrial Work

SK2305231795 Harbin HEILONGJIANG RIBAO  
in Chinese 4 May 95 pp 1,2

["Sidelight" on important speeches given by Yue Qifeng and other provincial leaders, after hearing the work briefings held by various industrial department; by Jiang Shaohua (1203 4801 5478), Yao Jie (1202 2638), Chen Baojie (7115 1405 2638) and reporters Duan Wenbin (3008 2429 2430), Xu Feng (1776 1496): "Truly Put on the Strategic Position the Task To Open the Second Battlefield of Economic Development"]

[FBIS Translated Text] The leading comrades of the provincial party committee and the provincial people's government—including Yue Qifeng, Tian Fengshan, Wang Jiangong, Ma Guoliang, and Cong Fukui—successively heard the work briefings given by various provincial industrial departments in the meeting room of the provincial party standing committee in late April. During the work briefings, leading comrades made many important speeches that have a strong guiding significance either on having industrial departments successfully conduct their own work or on promoting the province as a whole to implement the overall ideas set by the provincial party committee for economic development and on working hard to bring about an upswing in the province's economic development. According to the speeches' minutes, the main contents of the speeches made by Yue Qifeng, secretary of the provincial party committee, have been sorted out and published in the form of sidelight.

#### Clearly Present Difficulties, Define Plans, Accelerate the Progress in Breaking Out of an Encirclement and in Overcoming the Difficulties

After hearing the briefings given by the Provincial Forest General Bureau; the Provincial Coal Industry Administration Bureau; and the Provincial Office of Science, Technology, and Industry for National Defense; Yue Qifeng stressed: The forest and coal industries and military industrial enterprises should fully and clearly discern the difficulties on their advancing road, enhance their sense of crisis and emergency, turn the pressure into motive force, and put in an out-and-out manner the task to open the second battlefield of economic development on the strategic position.

Heilongjiang Province ranks third in the country in coal output. Its coal deposits are large and its coal quality is fine. Along with the development of the market economy over the past several decades, the large-amount exports of "black gold" produced by the province have not brought about wealth to the province but caused burdens instead. During the briefing, the responsible person of the Provincial Coal Industry Administration Bureau stated: The output of coal produced by the four large mining bureaus in 1994 was 45.2 million tonnes, which realized 4.26 billion yuan of output value. However, these mining bureaus suffered 560 million yuan of losses in the year due to the influence of various factors. The default of coal sales in the year reached 4 billion yuan. The coal industry as a whole was encountering a rarely difficult position.

The forest industrial enterprises were similarly encountering the crisis of natural resources and encountering the circumstances of economic crisis and difficulty. Currently, there are only 130 million cubic meters of coal deposits left for excavation. The rate of coal industrial enterprises that have suffered losses totals 43.8 percent.

In citing the issue of how to treat the difficulties currently encountered by the forest and coal industries, Yue Qifeng stressed: It is imperative to estimate the difficulties sufficiently, to analyze them thoroughly, and to clearly understand them. Only by understanding the difficulties can we meet them head-on. He stated: Administration departments at all levels should present without any concealment the difficulties and problems of their own. They should clearly explain one by one the difficulties no matter how great they are before the staff members and workers. Only by so doing can we have units from top to bottom unify their understanding and enable cadres, staff members, and workers to know the seriousness of problems and to enhance their sense of crisis.

Yue Qifeng continuously analyzed the reasons why some people had not been willing to or not dared to reveal the real situation, which is as follows: First, by presenting so many problems, on-the-job cadres are in fear of negating their achievements. Newly appointed cadres are not brave enough in this regard and in fear of negating the work done by their predecessors. Second, there are some incorrect understandings. By presenting so many problems, cadres are in fear of having the people be terribly frightened and lose their confidence in the government. Yue Qifeng stressed: Materialism has told us that only by exposing the problems can we deal with them. We should strive to win necessary support from the higher authorities by clearly telling the difficulties to them, by debating with them the issues that deserve to be debated, and by asking them for things

that deserve to be asked. We should tell the truth to the mass at the grass-roots level and educate the mass to be self-reliant and to conduct self-improvement. Those in the dark should be in no position to light the way for others. Only by telling the real situation and truth to the masses can we have units from top to bottom unite as one in finding out ways, in working out methods, and in truly and wholeheartedly grasping the development of substitute industries.

Yue Qifeng pointed out: Once we obtain a definite understanding, we will have faith in opening up the second battlefield and will never waver under any circumstance. Otherwise, if market situation and our daily life take a turn for the better in the future, we will naturally forget to get on with the noncoal industry and the industry that substitutes for the forest industry. This is absolutely improper and will create too many problems to be resolved. It is too late to think about taking remedial measures when our coal reserves are used up tens of years later. At present, the recoverable resources of our forests for timber use are on the decline, and we are eating the food of our descendants. If we refuse to rapidly cultivate and protect forest resources and refuse to vigorously develop the deep and precision processing and diversified trades, we ourselves will land in dire straits, leaving our descendants even fewer green hills that can be utilized forever. Hence, in a sense the degree of change in ideas and concepts of higher-level managers will decide the degree of the change in ideas and concepts of cadres and workers at the lower levels as well as the degree of opening up the second battlefield. Yue Qifeng praised the mine for its utilization of forests and land to run household farms and forest farms, and for its organizing workers and staff to engage in farming and animal husbandry.

Emancipating the mind, renewing ideas, and casting off the yoke of the planned economy as fast as possible are not only the ideological matter that should be handled immediately by coal industrial enterprises, but also the new task facing military industrial enterprises. Responsible persons of the provincial offices for science, technology, and the national defense industry who attended the work briefings stated: When viewed from respective trades, aeronautics and astronautics industrial enterprises have been relatively rapid in their transformation from producing military products to producing civilian products, and have basically formed their pillar products for civilian use. However, weaponry enterprises are still in an extremely difficult position due the yoke of the planned economy.

After listening to the briefings by the above-mentioned departments, Yue Qifeng again stressed: Even the problems currently confronted by forest, coal, and

military industrial enterprises are more numerous and more grave; it is not powerless for us to resolve them. The key lies in the endeavor of seeking a unity of understanding. It should be noticed that the foundation of these industries is extremely strong. In opening up the second battlefield, these industries are much stronger than rural areas, townships, towns, and counties in all funds, equipment, professionals, and plant sites; they can create much more wealth than township and town enterprises and people-run enterprises. The key questions are now in what position the opening up of the second battlefield will be placed, either in a conspicuous or subordinate position; how it is understood, either truly or superficially; how it is approached, either as a major or a minor thing; and how it is grasped, either conscientiously or superficially. If these ideological questions are answered, our methods will be more and more.

Yue Qifeng stated: In opening up the second battlefield, we should straighten out the relations between major and sideline industries, should open up more channels, and should vigorously develop substitute industries and diversified trades to make them grow gradually and turn from sideline to major industries. Coal industrial enterprises should be even more rapid developing substitute industries and diversified trades in order to make their output value equal to the output value of coal.

Yue Qifeng stressed: In developing forestry and forest sideline products, we should follow the path of household forest farms. He added: In the past, we met with setbacks in running household farms, but household farms finally developed. This shows household farms have some vitality. This method can be applied to forestry as well. The method of dividing hills, forests, waste land, and natural resources and of assigning them to households for management may mobilize the vast numbers of masses to plant trees. By doing so, natural resources will increase rather than decrease. The burden left by history should also be tackled by the old guaranteed fields and the wage fields. This will not only ensure the source of wages and resolve the food problem, but will also provide more jobs for the people. If we achieve success in this aspect, job opportunities will increase and society will be stable.

Yue Qifeng added: We should carry out the intercropping of trees and crops. While building forests, we should energetically develop mountain edible wild vegetables, fruits, and medical herbs; develop the production of pollution-free food, health care foods, and pollution-free beverages in order to replace funds with land; provide for people with land; and beef up forestry with land.

As for the targets of development put forward by several departments during the work briefings, Yue Qifeng stated: If we fail to deal with the problems by deepening reform, plans will not be fulfilled. However, if we take a large step in emancipating our minds, and work steadily and in a down-to-earth manner, it is totally possible for the targets put forward by them to be achieved ahead of schedule.

#### **Have the Machine-Building Industry Emulate First-Grade International Standards**

When hearing the work briefings given by the Provincial Machine-Building Department, the Provincial Machinery and Equipment Coordination Bureau, and the Harbin Power Plant Shareholding Company Ltd., Yue Qifeng, secretary of the provincial party committee, pointed out: The machine-building industry should display the spirit of racing against time, accurately aim at first-grade international standards, and catch up with or surpass first-grade domestic and foreign levels so as to make the machine-building undertakings throughout the province prosperous.

Yue Qifeng warned: Without the sense of emergency in catching up with or surpassing first-grade domestic and foreign levels, without the spirit of having a sense of shame being close to courage, and without clear and correct targets that are realistically feasible, the province's strong points in its large machine-building industries will be impossible to maintain as well as its title with regard to these three large driving forces. The province's title of possessing a large amount of machine-building industries will become one of possessing a small number of them. The province will even suffer a disastrous decline in this regard.

An obvious characteristic of most machine-building industries in the province are their large size and status. However, there still is a large gap for the machine-building industry as a whole to meet the sense and capability of the socialist market economy. Among those factors that have become the fetters restricting the development of enterprises are inflexible mechanisms, backward management, out-dated equipment, heavy burdens, and the low speed and effects of economic operation.

Yue Qifeng stated: Judging from the current situation, the province is suffering not only a problem of funds in developing machine-building undertakings, but also the very important problem of technologies. There is not only a gap in comparing the level of products turned out by the province with the international level, but also a gap in comparing machine-building industries in the province with domestic industries on the same front. Therefore, only by keeping the high standard in

mind can we have targets and power to catch up with others. Machine-building industries should formulate their plans by aiming at first-grade domestic enterprises on the same front and at international advanced levels, and should make up those they do not have.

Efforts should be made to pay attention to the equipment and management of the first-grade domestic and foreign enterprises on the same front; to compare one by one with them in the gaps caused by the provincial enterprises in this regard; to learn from them step by step; and to catch up with them year by year. If we fail to catch up with them this year, we will do it in 1996 or after. By making up our minds and harboring such a target, we will certainly be able to catch up with them some day. If our machine-building industries have reached first-grade international levels, we will justly and forcefully enter the international markets. If domestic markets are crowded with products, we should have our products occupy foreign markets, relying on their quality and level. If our products have been refused by markets in western countries, we should have them enter the markets in Southeast Asia and seek markets among the developing countries.

Yue Qifeng clearly pointed out: Heilongjiang is known as a province with a large machine-building industry. However, there is no future for the province if it paces up and down with low speed and ineffective development. The unitary products of machine-building industries can only lead themselves into a blind alley. Under such a development, it is impossible for Heilongjiang to maintain its title of possessing a large machine-building industry.

Currently, some machine-building plants in the province have no work to do and are suffering suspensions or semi-suspensions in production on the one hand, while on the other hand many machinery products turned out by outside provinces have entered the markets of Heilongjiang. For example, the province often purchases parts for farm machines from outside places. The province's market sales in this regard have totalled 1.5 billion yuan. Therefore, only relying on the development of unitary products of large machine-building industries is out of the question. Under such developments, it is impossible for us to get out of the fort of the planned economy, though we have repeatedly tried to do so. We should bring our strong points into full play, vigorously develop a diversified economy, and open the "second battlefield" of machine-building industries.

Yue Qifeng stated: The issue on engaging in diversified trades has been discussed for many years. However, this issue has not drawn sufficient attention as yet and has not been truly put in a strategic position;



many comrades have not yet realized the importance of developing diversified trades, and even looked down upon them. The machine-manufacturing trade of township and town enterprises has already been beefed up. However, some large state-owned enterprises have been looking down upon township and town enterprises and upon their "minor things." These large state-owned enterprises never dreamt they would probably be replaced by township and town enterprises and by those "minor things" at last. Hence, machinery enterprises must have a sense of responsibility and a sense of urgency in developing diversified trades to open up the "second battlefield." Even if machinery enterprises are faced with even more difficulties, their condition in developing diversified trades is better than the condition provided for a county in developing township and town enterprises in the past. It should be noted there is a vast world where the province's machinery enterprises can open up the "second battlefield." The food industry should develop on a large scale; wood products should develop on a large scale; and agricultural machine production as well as the chemical, electronics, and medical and medicinal industries should also develop on a large scale. Around these trades, there are bright prospects for the development of diversified trades in machine-manufacturing enterprises. If we truly realize the importance of diversified trades, truly do not begrudge money spent on supporting diversified trades, and make the best possible use of our advantages, we will be able to bring up among machinery enterprises new-type enterprises the Daqizhuang Village, Lianxiang Group, and the Beidafangzheng Corporation.

Yue Qifeng pointed out: There is another problem in the machinery trade, namely the deep-rooted influence of the planned economy. Although there have been some touches on this trade over the past few years, the essential parts have not been touched on as yet. Its mechanism has not changed, its managers and the managed have no enthusiasm, and efforts for strengthening management and improving quality have been just an empty talk.

Yue Qifeng was indignant after hearing that a large machinery enterprise took a perfunctory attitude and coped with consumers insincerely after finding their products had serious quality problems. He added: It is a trifling matter and a behavior of smashing one's brand with one's own hands that such a large enterprise, which engages in production of such large equipment, has given rise to such a serious quality problem after passing several quality examinations, and worse still has dealt with the case perfunctorily after the problems were revealed. In addition, the problems concerning weak power and high energy consumption of some machines have also aroused strong complaints among

consumers. Yue Qifeng added: If an enterprise's products have problems in quality, the enterprise must treat it sincerely without covering them up and without hesitation. Otherwise, there is the possibility of causing even more serious problems and becoming even more passive. Hence, this large machinery enterprise should take this case as a shame, seriously deal with the pertinent persons responsible for the problems, and set strict demands on quality control in order to prevent the occurrence of such problems. This enterprise should voluntarily admit mistakes before consumers to redeem its reputation and again foster its new image. He suggested the machinery trade seize this negative case to draw inferences about other cases and draw a lesson from this case through deep ponder.

**Heilongjiang Governor on 1995 Economic Work**  
*SK2405095495 Harbin HEILONGJIANG RIBAO*  
*in Chinese 5 May 95 pp 2,3*

["Excerpts" of speech by Tian Fengshan, vice governor of the Heilongjiang Provincial government, at meeting of city and prefectural party committee secretaries and mayors (commissioners) held on 4 May: "Clearly Understand the Situation, Make Persistent Efforts, and Achieve the Province's Reform, Development, and Stability"]

[FBIS Translated Text] Comrades:

A few days ago, the standing committee of the provincial party committee especially studied the provincial economic situation in the first quarter of this year. The standing committee suggested convening this meeting to report to all on the provincial economic situation in the first quarter of this year and also to arrange the current major tasks for reform, development, and stability.

#### **1. The Basic Situation in Economic Operation in the First Quarter of This Year**

The provincial economic situation in the first quarter of this year can be summarized by noting that the situation was not bad, that many problems and difficulties existed, and that pleasure accompanied hardship.

Since the beginning of this year, the people from higher levels downward across the province have conscientiously implemented the guidelines of the third plenary session of the seventh provincial party committee, emancipated their minds, deepened reform, opened up wider, made efforts to improve the economic development environment, promoted the work in all spheres in a down-to-earth manner, and further accelerated the development of the national economy based on the achievements made in 1994. The statistics compiled by

the provincial statistic bureau showed: In the first quarter of this year, the province's gross domestic product came to 33.19 billion yuan, up 8.8 percent over the same period of last year when calculated in terms of comparable prices and the highest growth rate after 1989. Our province's gap from the whole nation was narrowed from 6.2 percentage points in the first quarter of 1994 to 2.4 percentage points. This indicated that a gratifying situation characterized by faster economic development had emerged in our province.

Industrial production was accelerated. In the first quarter of this year, total output value realized by the industries at or above the township level reached 43.07 billion yuan, up 12.5 percent over the same period of last year when calculated according to comparable prices. The province's rank in this growth rate was raised from the back row of the whole country to 18th. The output value realized by both state-owned industrial enterprises and the industrial enterprises other than state ones increased at a faster speed. The output value of state-owned industrial enterprises was reduced by 3.6 percent in the first quarter of last year but increased by 7.9 percent in the first quarter of this year, thus helping promote an increase in the province's industrial production value by 6.5 percentage points, higher than the national average level by 0.4 percentage points. The output value of the industrial enterprises other than the state-owned ones increased by 25 percent over the same period of last year. Of the added value in industrial production, the proportion of the output value realized by the nonstate industries rose 17.3 percent in the same period of 1994 to 20.7 percent. This growth rate helped promote an increase in the province's industrial production value by 6 percentage points. The trades, which registered no increases or decreases in their production in the past few years, witnessed big increases in production in the first quarter of this year. Simultaneously, the output of major products increased by a large margin. For instance, coal output increased by 18 percent; the output of war industrial products, 34 percent; that of light industrial products, 20.9 percent; and that of such light industrial products as color television sets, watches, and cameras increased by more than 60 percent. The processing enterprises with farm and sideline products as raw materials were operating in full capacity and registered a bigger increase in production. The output value realized by the soybean processing industry came to 2.02 billion yuan, and its profits and taxes realized reached 132 million yuan. Of 30 chemical industrial products, the output of 22 increased by a big margin.

The agricultural production situation was very good. Since the beginning of last year, the state and the province have successively stipulated a series of policies

on supporting and encouraging agricultural production. Particularly, the peasants' enthusiasm for production was further mobilized by the rise in grain purchasing prices and grain market prices. Input in agriculture noticeably increased. A total of 7.95 billion yuan were collected from all parts of the province to solve the problems in spring farming, satisfying 72 percent of the need and registering an increase of 33.6 percent over the same period of last year. Particularly, the input by the peasants accounted for a large proportion. There was a comparatively ample supply of goods and materials. The amounts of chemical fertilizers supplied increased slightly over the same period of last year. The supply of diesel oil, plastic sheds, and farm chemicals could meet demands. The cropping structure continued to be readjusted according to the high-yield, high-efficiency, and good-quality orientation. Statistics showed: The province's grain sown areas was expected to be 112 million mu, up 300,000 mu over the same period of last year. Potato sown areas was expected to be 3.13 million mu. The areas sown with three major cash crops, such as sugar beets, flax, and tobacco, were expected to reach 7.288 million mu. Melon, vegetables, and oil-bearing crop sown areas increased over the same period of last year. As of 3 May, the province sowed various kinds of crops on 46.412 million mu, accounting for 35.9 percent of the target. The rural areas accelerated the pace of industrialization. Proper headway was made in setting up leading enterprises, bases, and the market system.

Rapid growth was maintained in animal husbandry. During the first quarter of this year, the output value of animal husbandry reached 2.57 billion yuan, up 21 percent over the same period last year. The production of diversified undertakings, such as aquatic products breeding, melons, fruits and vegetables planting, and the courtyard economy were developed on a large scale and in an intensive manner. The afforested areas also increased over the same period last year.

Foreign economic relations and trade grew steadily. During the first quarter of this year, the imports and exports of foreign trade of the whole province totalled \$640 million, an increase of 1.3 percent over the same period last year. Spot exchange trade maintained a sustained and big increase and the total imports and exports reached \$360 million, up 72.7 percent over the same period last year. During the first three months, the imports and exports of the three types of foreign-funded enterprises reached \$90 million, showing an increase of 400 percent over the same period last year. During the first quarter of this year, the volume of imports and exports through the province's barter trade totalled \$280 million, a decline of 33.9 percent from the same period last year, and its proportion in the total

volume of imports and exports dropped from 67 percent during the same period last year to 43.6 percent. During economic and technological cooperation of the previous three months, \$21 million of foreign exchange were actually used, up 15.6 percent over the corresponding period of last year.

The provincial market sales were stable and the rise of commodity prices declined on a monthly basis. During the first quarter of this year, the province's retail sales of consumer goods in society reached 14.34 billion yuan, up 23.3 percent over the same period last year, or an actual increase of 2.6 percent if the price rise factors were deducted. The rise in commodity prices was tending to relax and showing a trend of declining on a monthly basis. Compared with the same period last year, the rise of retail prices of the whole province was 21.3 percent in January, 19.7 percent in February, and 19.6 percent in March, or a rise of 20.2 percent on average during the first quarter of the year.

Investment in fixed assets showed a noticeable upturn. During the first quarter, the investments in the fixed assets of state-owned units across the province amounted to 1.74 billion yuan, up 66.9 percent over the same period of last year. Local investment increased during the first quarter of the year, showing an increase of 140 percent over the same period of last year, and the margin of increase was higher than the investment in central projects by 83.6 percentage points. Investments in equipment replacement and technical updating increased noticeably, showing an increase of 220 percent over the same period of last year, which was higher than the margin of increase of 13.6 percent in capital construction investment. Investments were continuously diverted to key industries; energy industry and the transport, post and telecommunications industry respectively increased by 66.3 percent and 170 percent.

Financial and banking situation was tending to improve. During the previous three months, the financial revenue of the whole province reached 1.77 billion yuan, up 87.6 percent over the same period last year; and financial expenditures reached 1.92 billion yuan, up 47.2 percent over the same period last year.

The province's credit funds performing trend showed a turn for the better. The increase in savings deposits was quite big. As of the end of March, the total savings of various descriptions had reached 128.98 billion yuan, an increase of 10.85 billion yuan over the early period of this year. Various kinds of loans also increased. As of the end of March, the loans granted by banks and nonbanking organs had reached 155.19 billion yuan, an increase of 4.48 billion yuan over the early period of this year, or 2.72 million yuan over the same period

last year. Money supply was slowed down. During the first quarter of this year, the supply of money totalled 740 million yuan, a decline of 61.21 percent from the same period of last year.

Our province's economic development was accelerated during the first quarter of this year and this was caused by the following five factors: 1) The whole province conscientiously implemented the guidelines of the third plenary session of the seventh provincial party committee and further boosted the enthusiasm and creativity in developing economy. 2) The growth rate of the state-owned sector of the economy showed a noticeable upturn. During the first quarter of this year, the added-value of the state-owned sector of the economy reached 22.02 billion yuan, up 6.4 percent, which was higher than the figure of increase of the same period of last year by 4.1 percentage points. The upturn trend was quite noticeable in the state-owned industry which occupied a dominant position in the state-owned economy. The state-owned industry rose from 0.3 percent in December last year to 1.6 percent in January, 6.3 percent in February, and 10 percent in March of this year. 3) The rapid development of the nonstate sector of the economy was gradually becoming an important force for bringing along the whole economic growth. In the GDP of the first quarter of this year, the added value of the non-state sector of the economy reached 11.17 billion yuan, showing an increase of 12 percent over the same period of last year if calculated in terms of comparable prices, which was higher than the state-owned sector of the economy by 5.6 percentage points, and the contribution rate to economic growth was 57.4 percent. 4) Various localities and industries achieved even growth. Of the 14 prefectures and cities across the province, most enjoyed a trend of steady growth. The increased scale of industrial production scored by six prefectures and cities in the first quarter exceeded the province's average growth and the increased scale scored by four prefectures and cities in this regard reached more than 10 percent. The growth of primary, secondary, and tertiary industries in the national economy were respectively the highest one of the growths scored in the same period over the past few years. Of these growths, that of primary industry reached 12.5 percent; that of secondary industry, 9.4 percent; and that of tertiary industry, 7 percent. 5) The environment of economic development was further improved. During the discussion on improving the environment of economic development, various localities and departments held discussions bearing their reality in mind; found out and presented problems; and earnestly carried out consolidation and reform. They also successively issued a series of policies and measures that forcefully promoted the economy in the province as a whole to achieve sustained and rapid development.



Although the speed of economic development in the first quarter was accelerated and the general situation in this regard was in a good term, there were still some contradictions and problems in the course of economic operation. Prominent manifestations are as follows: First, the economic results scored by the local state-owned industries declined, losses caused by these industries were serious, enterprises encountered many difficulties in production. The accumulated volume of profits and taxes realized by local state-owned industrial enterprises in the first quarter totalled 580 million yuan and showed a 140 million yuan and 31 percent increase over the same period of 1994. The restriction caused by the "bottle-neck" cropping up in the production of enterprises was not fundamentally relieved. The industrial production as a whole was carried out under the strained situation of funds. Many enterprises could not conduct their normal production because they had no money to buy raw materials though their products had already entered the markets. The defaults of traded commodities among enterprises were serious and some key enterprises suffered the greater overstock of products caused by the restriction of transportation. In organizing and guiding the production of industries, the government departments concerned and enterprises themselves were not strong in their senses of market and quality; were short of practically effective measures to switch the losses to profits; and still were very weak in their managerial work. Second, the agricultural production still had some problems that were restricting development. During spring farming, the temperature was on the low side and some localities suffered the disasters of spring waterlogging and drought. Thus, the sowing period was dragged on about one week. In addition, among the problems that had also brought about unfavorable influence to the agricultural production at present were the overly rapid and high increase of prices among the means of agricultural production and the gap in fertilizer supply. Third, the increased scale of commodity prices still was overly high. Although commodity prices throughout the province began to fall somewhat after month after month of rising in the first quarter, the increased scale of prices still reached 20.2 percent. In particular, the increased scale of prices of foodstuffs and the means of agricultural production were overly high and had unfavorable influence on economic development and social stability. Fourth, the financial situation was quite strained. In the first quarter, local financial pressure became increasingly great due to the steady issuance of projects that caused the increase of financial spending and due to the greater increase of commodity prices.

## 2. Work Arrangements for the Next Step

By judging from the situation prevailing in the economic operation in the first quarter, the economy in the province as a whole is expected to continuously achieve faster growth in the first half of this year. According to analysis and estimation, the growth of the gross domestic product in the first half this year will be about 9 percent. However, we must soberly note that tasks to maintain the current and good trend of economic development and particularly to continuously upgrade the quality of economic results and growth are quite arduous. Therefore, by no means should we be over optimistic and careless and lower our guard in this regard. A good job should be done in continuously grasping in a cautious and down-to-earth manner the implementation of work in various fields.

A. We should promote the economy to achieve sustained, rapid, and healthy development.

a. While maintaining faster growth in industrial production, we should make efforts to increase economic results. According to estimates, the province will still maintain a faster growth and about a 10 percent increase in industrial production in the first half this year.

Currently, general demands for industrial production are to vigorously upgrade the quality of economic growth and increase economic results, to continuously maintain the faster growth, to prevent the occurrence of large fluctuations, and to unite the improvement of quality with the increase of quantity.

First, we should accelerate the reform of enterprises, such as large and medium-sized state-owned enterprises in particular, around the transformation of the mechanism and the innovation of systems. The work on experimenting with the modern enterprise system among the 33 selected enterprises should be put under substantive operation as quickly as possible. The "three separations" should be spread among large and medium-sized enterprises. Towards some workshops and branch plants of large and medium-sized enterprises, multiple levels of legal persons and independent accounting should be exercised with a view to making each of them full of vitality. Attention should also be paid to experimenting with the management of enterprises on a commission basis. Large enterprises may first try commissioned management among their subordinate branch plants. Small and medium-sized enterprises should mainly be managed by natural persons on a commission basis. A number of enterprises should be supported to manage their companies on a commission basis. We should gradually accumulate experiences to lay a good foundation for drawing up the policies related to commission management in the second half of this year. We should accelerate the

reform of the system concerning property rights of small enterprises and strive to comprehensively complete the reform by the end of this year. Continued efforts should be made to achieve success in the experiment for "optimizing the capital structure and enhancing enterprises' strength." Prominence should be given to augmenting the capital funds of enterprises, making an inventory and flexible use of existing assets, reducing the debts borne by enterprises, and optimizing the capital structure of enterprises and the work on bankruptcy of enterprises. In terms of enterprise reform, we should strive to achieve practical results, accelerate progress rate, and make breakthroughs and take a relatively big step in some major and difficult aspects.

Second, we should actually get on with the reorganization and renovation of enterprises towards the orientation of readjusting industrial structure and strategy. The third plenary session of the seventh provincial party committee and the provincial economic work conference have both definitely pointed out the task of carrying out the strategy of regarding the "10 major bases" and the "five pillar industries" as the dragon head and using them to bring along the entire economy and the task of readjusting industrial structure and strategy. All prefectures and cities and all pertinent departments directly under the provincial authorities should tighten their work to present their specific programs by the end of July so that the provincial party committee and the provincial government will organize the implementation of these two tasks as quickly as possible. At the same time, attention should be paid to organizing joint ventures and conducting cooperation among state-owned enterprises, large and medium-sized ones in particular. Joint ventures and cooperation can be conducted with not only foreign firms but also "domestic firms" and can be conducted not only with state-owned enterprises but also with private enterprises and township and town enterprises. In this aspect, our train of thought should be even more wide and our step should be even more bigger. The 5.5 billion yuan of loans allocated by the state to the province to carry out technological transformation should be distributed appropriately. The 150 million yuan of the technological transformation working fund raised by the provincial-level financial departments and the technological transformation fund raised by various prefectures and cities themselves should be utilized and managed in line with the principles of supporting the superior, being utilized on a snowballing basis, and withdrawing first and being reissued in an effort to make the most of the working fund. What should be especially stressed here is that in issuing technological transformation loans and working funds, state-owned enterprises and nonstate-owned enterprises should be treated equally without discrimination.

Third, we should further increase the dynamics of the work on halting deficits and increasing profits. The general arrangement for this year's work on halting deficits and increasing profits is to effect a 10 to 15 percent decrease in the amount of deficits and effect a 5 percentage points decrease in the number of unprofitable enterprises. The basic idea for this work is: To get on with major unprofitable enterprises to cut the amount of deficits and to get on with the minor unprofitable enterprises to cut the range of deficits; to pay equal attention to other enterprises; and to give prominence to the key unprofitable enterprises in Harbin, Qiqihar, Mudanjiang, and Jiamusi and the key trades including light industrial and local coal industries. We should truly establish a strict system whereby leaders are held responsible for attaining the targets on halting deficits. We should carry out the method of "letting able persons run plants." Incompetent managers should be readjusted resolutely. To truly resolve the problem concerning the deficits of enterprises, the province has decided to release 10 million yuan from the finance and earmark it as the fund to halt enterprises' deficits. This fund must be utilized in a good and flexible manner.

Fourth, we should continue to strengthen enterprise management. The problems concerning enterprise management have not been truly resolved. For instance, the sense of strict management remains weak, the basic work is not solid, the endeavor in strengthening management is not tough, and the phenomena of losses, waste, and loopholes exist among most enterprises. Hence, enterprise management should be grasped every moment and every day without the slightest degree of slackness. Beginning with every aspect, we should run plants as strictly as possible in order to gradually realize the standardized and scientific management of enterprises.

Fifth, we should strengthen macro-control over industries. Emphasis should be placed on expanding the sales of products and increasing the marketing rate of products. We should firmly attend to the work of limiting production, reducing stockpiling, and promoting sales. Production of unmarketable products must be suspended. Banks must not grant loans to such enterprises. We would rather sacrifice a little speed than engage ourselves again in blind production. Use of existing capital should be enlivened. Governments and banking departments should make concerted efforts to reduce "the two kinds of idle funds and the one kind of overdue bills," support the production of good-quality products and limit that of poor-quality products, attach importance to supporting enterprises with readily marketable products and good economic results, and ensure that the capital tied up by finished products is controlled at a fairly reasonable level. Some trades and enterprises should be

selected to clear up debt chains. We should carry out the coal trade's "three prohibitions" among the enterprises with readily marketable products so as to reduce debt chains between enterprises. We should continue to organize banks and the departments in charge of enterprise work to gain the support of higher levels and to strive for more capital input. We should further achieve the management and direction of railway transportation and ensure the transportation of key enterprises and key products.

b. We should carefully attend to spring production. According to weather forecasts, cold weather and low temperature will possibly appear in May following the low temperature in April, and disasters will frequently occur throughout the year. We must not, in the slightest degree, be paralyzed in our thinking about the disastrous weather of this year. We must neither adopt a blindly optimistic attitude toward spring farming nor arrange overall rural work as though it were a normal harvest year. Now is the most urgent and crucial moment for spring production. The provincial party committee and government urged that all localities should really regard spring production as the most urgent task at present, adopt effective measures, base themselves on combating disasters and capturing bumper harvests, and ensure a victory in spring production. First, we should organize and guide the peasants to race against time for sowing, strive to shorten the sowing time, and strive to ensure a full stand of crop shoots. The province should fulfill the field crop sowing task by 20 May at the latest and strive to finish the transplanting of paddy rice seedlings by the end of May. We should proceed from combating disasters and increasing production to popularize on a large scale the methods for hastening the germination of paddy rice seeds, covering plastic sheds, and transplanting raised seedlings and to positively apply the advanced measures, such as the technique for loosening soil after sowing, so as to be conducive to combating drought, preventing waterlogging, raising temperature, and promoting the earlier ripening of crops. Second, we should reasonably readjust the cropping structure and ensure the cash crop sown areas. We should work out and perfect the policies on reasonably readjusting the relationship between the interests of enterprises and peasants so as to mobilize the peasants' enthusiasm for planting cash crops. Third, we should try every possible means for organizing sources of goods and ensure the supply of materials for agricultural production. We should focus on solving the problems in lacking chemical fertilizers during top dressing period. We should give full scope to agriculture's dominant role and sideline occupation and diversified economy's supplementary role, collect fertilizers from various channels, also reduce management links, reasonably fix prices, and control

the rise in chemical fertilizer prices. The ordinary materials for farm use, such as diesel oil, plastic sheds, and farm chemicals, should be arranged according to a unified plan and be distributed to lower levels in a timely manner. The agricultural loans that have been determined through discussions should be put in place in a timely manner and must not be diverted for other use. Fourth, we should comprehensively grasp the production of various trades according to the thinking of large-scale agriculture and the thinking of industrialization. We should vigorously develop animal husbandry; develop the breeding industry on a proper scale; and accelerate the auctioning of the rights to using wasteland, barren hills, and deserted beaches, ditches, and water surfaces. We should achieve spring afforestation and encourage the running of "household-based forest farms." We should further strengthen the development of various industries, such as breeding of aquatic products and garden-based economy. We must stress that the people from higher levels downward across the province should make good preparations against serious natural disasters, call on and organize the peasants to widely open production channels after finishing their sowing work in an effort to increase incomes, ensure to use the earnings from sideline occupation to make up for the losses in grain production and to use the earnings from industrial production to make up for the losses in agricultural production, and guide the peasants to store up appropriate amounts of grain.

c. We should deeply open up the "second battlefield." The nonstate economy which takes township enterprises as the priority should continue to maintain a strong growth trend and the growth rate should not be lower than the level of the first quarter of this year. It is necessary to continuously accelerate the development of the tertiary industry, strive to accelerate it by one or two percentage points during the first quarter of the year, and grasp the building of the market system as a priority, particularly the establishment of wholesale markets, including the timber markets, the grain markets, and the furniture markets with the advantages and characteristics of our province; state-owned enterprises, especially large and medium-sized enterprises, should actively develop diversified undertakings and use sideline occupation to support the major industries; cities and trades with resources should strive to develop follow-up and substitute industries. The coal industry should achieve substantial progress in developing noncoal industries and diversified economy. We should realistically solve the problems on recognition, policies, management, and personnel existing in the nonstate economy and tertiary industry, and strive to create a good external environment for them. We should increase input in the nonstate economic sector. It is estimated that the provincial-level



allocation of special working funds for supporting the nonstate economic sector is 20 million yuan, and this sum will be issued during the second quarter of this year. Banks should readjust the credit structure, increase credit input in township enterprises, nongovernmental scientific and technological enterprises, private and individual enterprises, and tertiary industry, and rapidly issue the set amount of credit funds of 1.707 billion yuan to township enterprises. All departments should step up efforts to implement the stipulated policies and measures for supporting the "second battlefield;" those which have not formulated policies and measures should pay close attention to formulating them so as to form a fairly complete and mutually coordinated policy system.

d. We should promote the development of foreign economic relations and trade. At present, in view of the problems exposed during the previous stage of foreign economic and trade development, we should adopt feasible measures to maintain a vigorous trend of big increase in spot exchange trade, to check the decline in border and local trades, and to expand business invitation and introduction of foreign capital.

First, we should proceed from staple commodities and major foreign exchange-earning households, and strive to expand exports through spot exchange trade. Guaranteeing a stable increase in the export of staple commodities and major foreign exchange-earning households is the key to stimulating the steady increase in the whole province's imports and exports and realizing the annual export and export plans. We should give priority to exporting 100 categories of staple commodities with machinery and electronic products and textile products as the key products, make full use of the preferential policies of the state and the provincial authorities in support of the export of machinery and electronic products, vigorously open up new international markets and export channels to make up for the gap caused by the decline in the export of farm and sideline products, and optimize the structure of export commodities. We should strive to develop 200 major foreign exchange-earning households whose exports reach \$1 million. Second, we should simultaneously grasp stability and a turn for the better and check the decline in border and local trades. All localities and departments should adopt effective measures to help border and local trade enterprises solve practical problems in the supply of funds, the sales of stockpiled commodities, export refund, pursuit of a favorable balance, and formalities for going abroad. It is necessary to regard nongovernmental trade as normal border and local trades and strictly forbid the export of inferior and fake products. We should fulfill the contracts in hand and raise the rate of fulfilling the barter trade contracts. At the same time, we

should make border and local trade enterprises rapidly adapt to the changes in the international market, especially in the Russian market and in policies, and conduct various forms of economic and trade cooperation in accordance with international regulations. Third, we should further expand business invitation and introduction of foreign capital. We should guide and support enterprises to rapidly turn themselves into the main bodies for inviting business and introducing capital. It is necessary to give priority to implementing the agreements, especially the 13 major projects under discussion, each involved more than \$10 million, clearly appoint personnel to assume responsibility, and strive to sign contracts as early as possible. We should realistically solve the problems that some departments and individuals have created difficulties and entrapped the three types of foreign funded enterprises and improve the investment environment. We should improve the system of managing business invitation and introducing capital, strengthen coordination and service, and standardize the use of foreign capital. Further efforts should be made to establish ties with the south, introduce products, technology, funds, and personnel, and achieve greater success in developing Sino-foreign cooperation, cooperation between Chinese partners, and cooperation between the province and other localities and between the province and foreign countries. Fourth, attention should be paid to making preparations for hosting the Harbin trade talks. The overseas propaganda and liaison should be strengthened further and old customers stabilized, and efforts should be made to attract even more overseas figures to attend the Harbin trade talks. Close attention should be paid to the quality of the commodities to be displayed at the Harbin trade talks so that even more famous-brand, good-quality, and special commodities will be provided for the talks. Large and medium-sized enterprises should be organized to participate in the Harbin trade talks, and township and town enterprises, private enterprises, and foreign-funded enterprises are also allowed to participate in the talks.

E. We should resolutely check the continuous increase in commodity prices. Because repercussions from last year's price rises (8-9 percentage points) were great, and the pressure exerted by costs still remain, prices of grains have tended to increase continuously. In addition, owing to the low self-sufficiency in the province's industrial products, prices of many industrial products have been formed based on the hiked prices of other provinces and on various price increase factors in intermediate links. All of them have made it difficult to control commodity prices. Therefore, we must adopt feasible and effective measures to resolutely prevent prices from being hiked continuously and strive to attain the target of making the province's price increase margin

lower than the average national margin. First, we should strictly control new price increases. For the prices of basic daily necessities and service items to residents, we should pursue the system of reporting price increases to proper departments, should strictly control the difference rate between the importing and marketing prices and between the wholesale and retailing prices of the products from outside places, and should, if necessary, use the foodstuff risk fund and the price regulation fund to stabilize commodity prices on markets. We should conscientiously implement the State Council's demand that no new price readjusting items be set forth in the first half of this year. We should straighten order in the circulation sphere and resolutely check unauthorized price hikes. The grains and means of agricultural production whose prices have been rising sharply should be put under special supervision and control. Second, we should attend to the supply of staple and nonstaple foods. The policies on the rationed supply of grain and edible oil formulated by the provincial government must be conscientiously implemented in all localities, and not only the quantity but also the variety and quality of grain should be guaranteed. While promoting the industrialization of the countryside, we should conscientiously ensure the production of meat, poultry, and eggs and ensure the acreage of vegetable fields. In particular, together with the construction of small vegetable plots and with the growing of vegetables in sheds, we should vigorously carry out the "vegetable basket" project in a bid to raise production capacity and self-sufficiency level of vegetables in the province. Third, we should strengthen the control over commodity prices in rural areas and on markets. We should conscientiously manage the charges collected from using agricultural facilities and control the price of electricity used in rural areas. To strengthen the control over commodity prices in rural areas, we should carry out the State Council's instructions on maintaining the functional integrity of the county-level price organizations. Towards the control over the prices on markets and country fairs, price and industrial and commercial departments should coordinate with each other and truly held responsible for really implementing various price supervision and examination measures and the regulation on selling goods at marked prices. To urge various localities to truly attach importance to the stabilization of commodity prices, the province has been making public the price indices of 14 prefectures and cities on a monthly basis since April.

B. We should ensure that the discussion on improving the economic development environment will attain the desired targets.

The discussion on improving economic development environment organized by the provincial party committee

has been conducted for nearly two months. At present, this discussion has entered the stage of conducting rectification and correction and resolving problems concentratively. To further deepen the discussion, attain the desired targets, and achieve practical results, we should stress on the following several points:

a. We must bring the emancipation of mind and the renewal of concepts into line with the whole process of discussion. We should continue to emphatically resolve the following several problems based on the province's reality through the study of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. First, we should firmly embrace the idea of regarding economic construction as the central task. All fields, all levels, and all professions and trades should submit and orient themselves to this central task. All professions and departments should do their work in line with the implementation and popularization of the overall idea on economic development defined by the provincial party committee.

Second, we should firmly cultivate the ideology of taking the "three essential criteria" as the fundamental guidelines, support with a clear-cut stand all things that comply with these criteria and oppose those that go against them, and make the "three essential criteria" become the guidelines for leaders at all levels and all departments to observe, ponder, and handle issues. Third, we should firmly foster the ideology of working with one heart and one mind, make concerted efforts, work hard to pioneer new undertakings, make more contributions, and improve ourselves, overcome pessimism, complaints, the dependent mentality, and the viewpoint of attempting nothing and accomplishing nothing, and enhance the sense of honor, responsibility and mission. We should make the whole province, from high to low levels, enhance spirit, strengthen confidence, maintain self-reliance and self-strengthening, form a mental state of forging ahead, a work style of working vigorously, and a flexible and highly effective mechanism for work, and enable all tasks to be vigorously carried out.

b. We should keep in touch with reality, pinpoint the priorities, and concentrate efforts on rectification work. We should pay attention to grasping typical cases, present the facts and reason things out, analyze the cases thoroughly, make a clear distinction between right and wrong, and use new ideas, concepts, and mechanisms to solve problems related to policies, systems, personnel, and society in the course of economic development. We must have courage to touch and step up efforts to solve all typical cases that restrict and affect the economic development environment. In essence, the rectification stage is aimed at rectifying regulations and building systems. It is necessary to do rectification work in light

of the exposed problems, and on the basis of abolishing outdated documents, policies, and regulations, issue new documents, policies, and regulations, and consolidate the previous discussion results with systems, mechanisms and policies. Departments dealing with comprehensive work at all levels should strengthen coordination, have unified views on the policies and regulations involving several departments, guard against disputing over trifles and fighting, and enable the discussion results to be consolidated and unceasingly expanded.

c. We should successfully carry out organizational reform and realistically change functions. During discussion, it is necessary to closely combine rectification and reform with organizational reform and give full consideration to the inherent demands set forth during the previous discussion and investigation in the course of organizational reform. Both the provincial-level organizational reform and the city and county organizational reform should be conducive to establishing the socialist market economic system and creating a good economic development environment. The provincial-level organizational reform should be vigorously carried out in accordance with the established plans and be completed on schedule. All provincial-level organs, particularly the pertinent economic departments, the economic-lever departments, and the law and discipline-enforcing departments, should realistically change functions, delegate powers, and strengthen service in the course of organizational reform. We should strengthen the target responsibility system in line with the work of "fixing the functions, the number of departments, and the size of departments." During the next step of work to consolidate the ideology and work style of organs directly under the provincial government, we should act in close connection with the reality of our own units, grasp the key issues, conscientiously investigate problems, realistically carry out rectification and reform, and deepen the rectification work.

In order to guarantee that actual results will be achieved in the discussion on improving the economic development environment, the provincial party committee has decided to extend the discussion period to the end of May. Party committees and governments at all levels, after achieving periodical results in discussion, should continue to regard improving the economic development environment as a long-term task, and grasp it deeply, lastingly, and effectively in an effort to promote the province's economy to enter the path of sustained, rapid, and sound development as quickly as possible.

C. We should realistically safeguard social stability.

We should further recognize and properly handle the relations of reform, development, and stability and create

a stable social environment for reform and development. At present, there are lots of social contradictions and numerous destabilizing factors. Party committees and governments at all levels must act in line with the demands of the provincial party committee and government, further enhance the sense of responsibility and urgency, adopt effective measures, and realistically strengthen stability work.

First, we should pay great attention to safeguarding social stability and conscientiously implement the leadership responsibility system. Party and government leaders at all levels should further unify thinking, realistically understand the political responsibility of safeguarding the security of a locality, regard stability work as one of the priorities of the general tasks, persist in making principal leaders grasp this work personally, and strive their best to implement all measures for stability work in key areas. All relevant departments should act in line with the unified plans of the provincial party committee and the provincial government, proceed from their respective responsibilities, conscientiously assume responsibilities, work in coordination, and cooperate with the party committee and government to grasp the stability work.

The public security, armed police, and state security organs should regard stability work as the most important task and concentrate energy on implementing it. The propaganda departments and press units should act strictly in accordance with the stipulations of the central authorities and the provincial government and should uphold the correct public opinion guidance. In safeguarding social stability, all cities and prefectures should solve their own problems and all households should solve their own problems. However, the problems of enterprises directly under the central authorities should be mainly reflected to the responsible departments and be solved by them and no contradiction should be created; regarding workers with difficulties and petitioners, we should do persuasion and educational work, and urge them to give consideration to the overall situation, to make full allowances for the country's difficulties, and to speak and manage things in line with law in an effort to keep their behaviors within proper bounds.

Second, we should conscientiously solve practical problems and exert efforts to resolve social contradictions. All localities and departments should act in line with the demands of the provincial party committee and the provincial government, try by all possible means to solve the social hot issues which the masses have paid close attention to, and try our best to guarantee food for troubled enterprise workers. We should raise and invigorate the use of funds through such methods as clear-



ing up defaults, promoting sales, tapping potentials, and cutting administrative expenditures. Industries with resources should release some workers from their posts and urge them to engage in farming and animal husbandry, to develop "wage fields" and "labor guarantee fields," to engage in diversified economy, and to resolve their own difficulties. We should expand reform of the housing system for enterprise workers and substitute the issuance of wages with the sales of property right. Banking departments should proceed from the overall situation of safeguarding stability and support troubled enterprises to invigorate the use of funds. In addition, all localities and relevant departments should realistically assume responsibility to conscientiously resolve some destabilizing factors caused by relocation and resettlement of people in cities and towns and by requisition of land from peasants.

Third, we should deal strict blows to serious criminal activities in an effort to stabilize the public security situation. We should deeply conduct a campaign in spring with dealing blows to criminal gangs, cracking down major cases and capturing escaped criminals as the main content and resolutely suppress the arrogance of the serious criminal activities. Particularly, we should eliminate each and every major, vicious criminal gang and gang of hooligans. Public security, judicial, and procuratorial departments at all levels should maintain close coordination, actively cooperate with one another, conscientiously implement the principle of dealing heavy and quick blows to criminals, and the "two basic" principles, strictly punish a number of serious criminals, and check the upward trend of major and appalling criminal cases. We should give impetus to public security comprehensive management work, implement the prevention measures, and improve public security in key areas. We should proceed from improving the environment, adopt effective measures, and launch a special campaign to crack down on swindling cases.

Fourth, we should strengthen the management of institutions of higher learning and ensure stability in institutions of higher learning. Relevant departments should maintain close coordination and conscientiously resolve the issues of supplying grain and oil-bearing crops to designated institutions of higher learning at government prices and maintaining security in the campus. Meanwhile, we should actively arrange jobs for students who are to graduate this semester in line with the principle of "double choices." It is necessary to successfully carry out ideological and political work in the light of ideological reality of students.

Fifth, we should continue to grasp the anticorruption struggle. Anticorruption and social stability are closely related. While firmly grasping the central task of eco-

nomic construction, we should continue to realistically strengthen the building of party style and administrative honesty in accordance with the guiding ideology and work plans defined by the central authorities, and should deeply and lastingly carry out the anticorruption struggle. Recently, the central discipline inspection commission issued opinions for implementing and handling the supplementary stipulations on keeping leading cadres at and above the county section level of party and government organs clean and self-disciplined. All localities and departments should conscientiously implement them and make the anticorruption struggle achieve desired results.

Now, let me talk about the preparatory work for the Asian winter games. All prefectures and cities and the 36 million people across the province are the hosts of the Asian winter games, and they all are responsible for trying their best to make this important international competition a success. Now, we still have some 200 days before the opening of the Asian winter games, and this work has entered the stage that demands immediate attention. The provincial party committee and government have called for efforts to expand the dynamics of propaganda on the Asian winter games and to form a strong atmosphere of greeting and successfully hosting the Asian winter games at the higher and the lower levels. All localities and departments should take action actively to support the fund raising work. Harbin City and Songhuajiang Prefecture where the competitions will be held, should mobilize all the people in the city and prefecture to improve the environment and enhance the civility of citizens. The progress of key projects should be accelerated and the quality should be guaranteed. It is necessary to implement responsibility system in doing all tasks, carry them out on schedule, and guarantee their accomplishment.

Comrades, our province's current situation of reform, development, and stability is very good, but the tasks facing us are also very arduous. It is hoped that all localities and departments will act in line with the demands of this meeting, make good arrangements and plans for the current tasks, implement them in a down-to-earth manner, seek actual results, strive to make new strides in reform, achieve a fairly high growth rate and fairly good economic efficiency in development, create a more stable and united situation, and strive to realize the objective of quadrupling the GNP and attaining the level of moderate prosperity.

**Heilongjiang Records Rapid Economic Growth**

*OW2305130895 Beijing XINHUA in English  
0844 GMT 23 May 95*

[FBIS Transcribed Text] Harbin, May 23 (XINHUA) — Northeast China's Heilongjiang province recorded fast economic growth in the first quarter of this year.

The province's GDP in this period reached 33.2 billion yuan, an increase of 8.8 percent over the same period of last year, the highest growth rate since 1989.

During the January-March period, industrial production in the province grew 12.5 percent over the same period last year, with the state industrial sector going up 7.9 percent.

Meanwhile, the non-state sectors and the service industries maintained a good momentum of development.

The output value of the non-state sectors in the first quarter of this year reached 11.17 billion yuan, rising by 12 percent over the same period of last year.

Further more, spring crops in the province are growing fine. A good summer harvest is expected.

This year, the local government increased its input in agriculture. So far, nearly eight billion yuan has been invested in the farming sector.

**Further Reportage on Li's Upcoming U.S. Visit****More on Ministry Release**

OW2305111195 Taipei CNA in English  
1016 GMT 23 May 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 23 (CNA) — The Ministry of Foreign Affairs Tuesday welcomed the US State Department's announcement that the Clinton administration has agreed to President Li Teng-hui's visit to Cornell University in Ithaca, New York for an alumni reunion in June.

The State Department announced on May 22 that the Clinton administration has revised US policy guidelines on visits by top Taiwan Government officials to the United States, and agreed to Li's private visit to his alma mater.

"We welcome this announcement and would like to extend appreciation to our American friends for their concern and support on this matter," the Ministry of Foreign Affairs said in a press release.

The statement further said it has been the unanimous hope of the people and government of the Republic of China that Li's visit will help promote the exchanges and friendship between the two peoples and strengthen the mutually beneficial substantive relations between the two countries.

Noting that Cornell University is one of the most prominent institutions of higher education in the US, the statement said President Li's return to his alma mater carries great significance in promoting scholastic exchanges and cooperation between Taiwan and the US.

The statement continued that the US State Department's May 22 announcement, following its policy review completed last September, marks another important step in the development of substantive relations between Taipei and Washington.

"We sincerely hope that the US Government will continue its endeavor to boost substantive exchanges on the basis of the long lasting and close friendship between our two peoples," the statement said adding the ROC will also, in the spirit of reciprocity and cooperation, strive to work with the US Government on issues of mutual concern to further enhance bilateral ties.

Meanwhile, ministry spokesman Rock Leng said President Li's overseas trips mainly aim to highlight the ROC's existence in the international community.

"Beijing's accusation that Li's US visit aims to promote 'two Chinas' or 'one China, one Taiwan' is a distortion of the truth," Leng stressed.

"We hope Beijing will acknowledge that the ROC has continued to exist and exercise full jurisdiction over Taiwan, Penghu, Kinmen [Little Qemoy] and Matsu over the past four decades, and will no longer block its participation in major international organizations," Leng said.

He further urged Beijing to face the reality and work with Taiwan to improve relations between the two sides on an equal, reciprocal basis.

Leng also disclosed that Foreign Affairs Minister Chien Fu will not accompany Li on his forthcoming US visit.

"It is unnecessary for Chien to accompany Li to America because the president's visit is private and purely for scholastic exchanges," Leng said.

Li will be the first ROC president to visit the United States. Leng said it marks a major development in ROC-US relations since the two countries suspended formal diplomatic ties in 1979, even though the visit is of a private nature.

Leng said the Foreign Ministry is negotiating with American authorities through normal channels on Li's itinerary in the US. Many technical details have yet to be worked out, Leng said, adding the government will ask the US Government to accord Li with proper courtesy and protection.

Leng said it remains to be seen whether the US approval of Li's visit to his alma mater will inspire Japan and European Countries to agree to a visit by Li.

President Li received his doctorate in agricultural economics from Cornell University in 1968 and his doctoral dissertation was selected as the best in the field of agronomy of the year in the US in 1969.

**Minister Not To Accompany Li**

OW2405101395 Taipei China Broadcasting Corporation News Network in Mandarin  
2300 GMT 23 May 95

[From the "Hookup" program]

[FBIS Translated Excerpt] The Chinese [Republic of China] and U.S. sides are still negotiating the itinerary and other specifics regarding the president's visit to the United States, and have yet to make a final decision. Regarding earlier reports that Foreign Minister Chien Fu may accompany the president on his visit, the latest word from the Foreign Ministry is that Chien Fu does not plan to accompany the president. As for the kind



of treatment the president will receive in the United States, the Foreign Ministry noted that the president will receive some measure of treatment as a head of state in accordance with common practices. [passage omitted]

#### **Beijing's Reaction Viewed**

OW2405105495 *Taipei Voice of Free China*  
in English 0200 GMT 24 May 95

[FBIS Transcribed Text] Mainland China Monday [22 May] accused Taiwan of setting up obstacles to diplomatic amity. This was following reports that U.S. President Bill Clinton has decided to risk a run-in with China by allowing a visit by the Taiwan president. President Clinton decided to risk a run-in with China because of intense pressure from the Republican-controlled Congress.

Li is to make a six-day private visit to attend a Cornell University alumni reunion in New York State. The U.S. move would break a 16-year-old policy and risk retaliation by Mainland China. Mainland China vehemently opposes the proposed visit on the grounds Washington has no diplomatic ties with Taipei.

Beijing has viewed Taiwan as a renegade province since the end of the Chinese civil war in 1949. Both sides want to eventually be reunified but differ on terms. No president of Taiwan has been allowed to visit the United States since 1979 when Washington recognized Beijing as China's sole government.

#### **Pusan Beats Kaohsiung in Bid To Host Asian Games**

##### **Taiwan Denounces 'Intervention'**

OW2405023495 *Taipei CNA in English*  
0131 GMT 24 May 95

[By Kuo Wu-huan and Benjamin Yeh]

[FBIS Transcribed Text] Seoul, May 23 (CNA) — Taiwan sports officials on Tuesday strongly condemned what they termed the "political intervention" that occurred during voting by the Olympic Council of Asia (OCA) to determine the host city for the 2002 Asian games.

Pusan, South Korea, beat out the Taiwan port city of Kaohsiung on a hand vote, which Chinese Taipei Olympic Council Chairman Chang Feng-shu said ran counter to OCA precedent. Of the 41 OCA countries voting, 36 raised their hands for Pusan.

Chang said he regretted the outcome. "What we want is simply a fair and just treatment."

He said pressure on OCA member countries by Beijing was largely responsible for the result. Beijing had

threatened to boycott the 2002 Asiad if Kaohsiung was declared the winner.

A Communist Chinese official proposed the hand vote, as opposed to the secret ballot that had been previously agreed upon. Chang said the hand vote forced a majority of OCA members to back away from supporting Taiwan.

Chang also lashed out at International Olympic Committee President Juan Antonio Samaranch, who had met over the past three days with representatives of each OCA member country, asking them not to support Kaohsiung.

Chang said that during a closed-door meeting with Samaranch on Monday, the IOC president asked him to withdraw Kaohsiung from the competition, a proposal rejected outright by Chang.

Chang said he knew at that time that Samaranch's intervention in the matter was a signal that Kaohsiung's bid was in jeopardy. "Still, I told him that our delegation would in no way quit, but would continue fighting to the end in accordance with the common wishes of the 21 million people in Taiwan," Chang recalled.

Chang said he had also been tipped off about a possible problem when OCA President Sheikh Ahmad al-Fahad al-Sabah told him Taiwan had the support of at least 17 OCA members, but that the final vote might be different.

CTOC Vice Chairman Tseng Yung-chuan termed the vote "a farce of political intervention in sports," in which Samaranch starred under Beijing's direction.

Tseng apologized to his countrymen for failing to win the Asiad bid, but said Kaohsiung officials and relevant sports organizations had tried everything they could to win in the face of unfair competition.

#### **Spokesman Condemns Beijing**

OW2405022395 *Taipei CNA in English*  
0156 GMT 24 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 23 (CNA) — Foreign Ministry Spokesman Rock Leng on Tuesday reacted strongly to the Beijing maneuvers that prevented Taiwan from winning the right to host the 2002 Asian Games.

The Olympic Council of Asia voted in Seoul on Tuesday to select Pusan over Kaohsiung as the venue for the games. Beijing, which had repeatedly threatened to boycott the Asiad if Taiwan were selected to host the international sports event, was believed to have played a key role in influencing the ballot by insisting on a

hand vote, as opposed to the secret ballot that had been originally agreed to and that Taiwan favored. Out of the 41 countries that voted, 36 raised their hands in favor of Pusan.

While saying he regretted any political intervention in sports, Leng warned that "Beijing should take full responsibility for any ill consequences that may generate from the incident."

He said Beijing did whatever it could to curtail Taiwan's bid. "The incident is nothing but another reminder of the trickery behind communist Chinese President Jiang Zemin's recent peace overture to Taiwan," Leng said, referring to Jiang's call for Chinese not to fight each other.

"Beijing must understand that any of its attempts to continue preventing Taiwan from participating in international activities will not help promote the bilateral ties but instead will lead to the deterioration of ties," Leng warned.

Leng did not say whether the government would take any action to retaliate against Beijing's unfriendly move.

The Mainland Affairs Council (MAC) also issued a written statement strongly condemning the Beijing regime. "(The political intervention) has seriously harmed the feelings of Taiwan residents toward mainland China."

For long, it said, Beijing has tried to block Taipei's plan to join various international activities, aiming to downgrade Taipei to the status of a local government. "That is the simple largest barrier in the way to the further improvement of ties between the two sides," the MAC said.

Nevertheless, MAC Vice Chairman Kao Koong-Lian indicated that despite Beijing's ill-timed move, the proposed high-level private talks between Taiwan and mainland China would go ahead as scheduled in July. He said the problems arising from cross-strait exchanges still need to be discussed in the interests of the people of both sides.

Also on Tuesday, the Presidential Office issued a statement urging the public not to be upset by the Asiad bid failure. It said both the government and people of the Republic of China [ROC] should keep promoting sports and sports exchanges, thus facilitating world peace and understanding between countries.

#### **Government Considers South China Sea Task Force**

*OW2305143695 Taipei China Broadcasting Corporation News Network in Mandarin  
2300 GMT 22 May 95*

[From the "Hookup" program]

[FBIS Translated Text] To improve the ability to deal with contingencies in the South China Sea, the Interior Ministry has decided to ask the Foreign and Defense Ministries to study the issue of setting up a South China Sea crisis management task force, which will meet on an emergency basis and deal with any unforeseen event in the South China Sea.

#### **Organization Head Urges Support for UN Bid**

*OW2405041195 Taipei CNA in English  
0147 GMT 24 May 95*

[By Peter Chen]

[FBIS Transcribed Text] Canberra, May 23 (CNA) — Jason Hu, Director-General of the Republic of China [ROC]'s Government Information Office, on Tuesday urged the international community, including Australia, not to coddle Mainland China, but instead help Taiwan re-enter the United Nations.

In a speech at the Taiwan Update Seminar at the Golden Gate Hotel in Sydney, Hu said the Cold War had long ended and that "there is no use coddling Beijing in its stubborn insistence on continuing to fight a war that is already over."

"The end of the old bipolar geopolitical standoff from the 1950s through the 1980s means that the isolation of the ROC no longer serves any purpose," he said.

He said that in an age of burgeoning multilateral economic alliances, and especially in the dynamically growing Asia-Pacific area, the "ossified contentiousness" of Beijing's aging leadership at every new international development was out of place.

He said the current geopolitical order calls for new flexibility that can only benefit all members of the international community, including Mainland China.

The seminar, sponsored by the University of Technology, was attended by about 100 delegates from the academic, business and political sectors.

Hu said Beijing has stubbornly resisted the ROC's participation in the United Nations and its constituent organizations for more than two decades. Taipei withdrew from the UN in 1971 when the body admitted Beijing.

He reminded the international community, including Australia, not to ignore the existence of the ROC. Its

democratic reform, its economic and trade strength, and its sincerity and willingness to develop simultaneously alongside every other country in the world can all be factors promoting progress in the international community, he said.

"We also determinedly want peace, and we don't want to be the enemy of any country. As we actively develop substantive relations of mutual cooperation with as many countries in the world as possible, we are convinced that the pursuit of stable and mutually beneficial economic relations is the best way to insure world peace and development," he said.

Hu said the ROC's desire to participate in international organizations is to repay the international community for what it has done for the island.

#### **Australian Minister Meets Hu Despite Warning**

OW2405033095 *Taipei CNA in English*  
0205 GMT 24 May 95

[By Peter Chen]

[FBIS Transcribed Text] Canberra, May 23 (CNA) — Australian Federal Tourism Minister Michael Li on Tuesday shrugged off a warning from Beijing and met with Jason Hu, the director-general of the ROC's [Republic of China] Government Information Office, in Sydney.

The warning was made in a statement by the Mainland Chinese Embassy in Canberra.

The statement called Taiwan an "inalienable part of China," as recognized in the communique that established official ties between Mainland China and Australia. It said Beijing was opposed to any country having diplomatic relations with China to establish official relations or have officials contacts in any form with Taiwan.

It reminded Australia that Canberra should continue to adhere to the communique and guard against the ROC's creating "two Chinas" or "one China, one Taiwan."

Hu, however, said the ROC would not create "one Taiwan, one China," or "two Chinas" because it has its own "one China" policy. The meeting between Hu and Li took place in Li's office in Sydney.

The Taipei Economic and Cultural Office (TECO) only confirmed the meeting between Hu and Li, but declined to give any details.

In an interview later with the Australian Broadcasting Corp., Hu urged Australia to adopt a more independent China policy that recognizes two systems without exclusions. "You can embrace him (a Chinese official), you

can marry him, you can do whatever you want with him, but that has nothing to do with us. We just want a good relationship with your country," he said.

Hu also acknowledged that Mainland China might become one of the biggest economic, military and political powers in the Asia Pacific region. "But that does not mean that there is no give-and-take in one's bilateral relationship with Mainland China," he said.

"The fact that it is big does not mean that you have to do everything they want you to do. Do not let it dictate your policies to you," he said. "You can't do everything Beijing wants you to do in order to pacify them. Where is the end? Where do you draw the line?"

He said the ROC was not seeking a triangular relationship between Taipei, Beijing and Canberra, but seeks only an equal, parallel relationship with Australia. He said he believed Beijing would accept this.

Bilateral trade relations between the ROC and Australia are promising, he said, because there is still much room for expansion, especially in the agricultural and tourism sectors. Last year, two-way trade between the two countries jumped to US\$3.8 billion from US\$3.5 billion, according to TECO.

#### **Seminar on Cross-Strait IPR Issues Opens**

OW2405104495 *Taipei CNA in English*  
0930 GMT 24 May 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, May 24 (CNA) — A two-day intellectual property rights (IPR) seminar opened at the Grand Hotel Wednesday [24 May] to discuss cross-Taiwan Strait and international IPR protection issues.

The first day of discussions at the "Seminar on Intellectual Property Rights in Cross-Century Industrial Development" focused on cross-strait issues, including patent and trademark protection and infringement salvage, protection for copyrights and computer software, and solution strategies for IPR disputes.

Addressing the opening ceremony, Economic Affairs Minister P.K. Chiang expressed the hope that discussions at the seminar will help the two sides gain a better understanding of each other's IPR-related laws and narrow their differences, thereby reducing cross-strait IPR disputes.

Both Taiwan and Mainland China need to canvass various opinions on IPR protection at a time when both sides are looking to join the World Trade Organization



(WTO), the successor body of the General Agreement on Tariffs and Trade (GATT) this year, Chiang stressed.

This is the second time that PRC experts [word indistinct] Taiwan in the [words indistinct] have met. They got together for the first time in forum held in Beijing last September.

Beijing University [words indistinct] President Luo Haocai, head of the 17-member mainland delegation to the seminar pointed out that the mainland has made substantial progress in IPR protection and hopes to exchange views with Taiwan's [words indistinct].

Chen Zso-chen, director general of the National Bureau of Standards under the Ministry of Economic Affairs,

noted that increasing cross-strait trade exchange in recent years have resulted in (?an increase) in IPR disputes and called for the strengthening of IPR protection on both sides by the bureaus of the seminar's key sponsors.

The forum will discuss the impact of international [passage indistinct] the forum are Randall Rader, circuit judge of the U.S. Federal Court of Appeals, and Nancy Linck, a legal representative of the Patent and Trade Office under the Department of Commerce.

## Hong Kong

### Hong Kong Media Criticizes Li Visit to U.S.

OW23051700<sup>c</sup>5 Beijing XINHUA in English  
1651 GMT 23 May 95

[FBIS Transcribed Text] Hong Kong, May 23 (XINHUA) — The Clinton administration's latest decision to allow Taiwan's Li Teng-hui to pay a so-called "private visit" to the United States has drawn fierce criticism from the Hong Kong media.

In their editorials published here today, several local newspapers criticized the US decision for violating the principle guiding the Sino-US relations, constituting a threat to China's peaceful reunification, and seriously infringing on China's sovereignty.

TA KUNG PAO, a local Chinese language newspaper, said in its editorial that the approval by the US government of Li's visit to the United States is a serious incident which has violated the three Sino-US joint communiques, damaged the bilateral ties and constituted a serious threat to China's sovereignty.

The editorial said that the relationship across the Taiwan Straits has recently moved towards the direction which is conducive to the peaceful reunification of the Chinese motherland.

This is an encouraging development which certain people in the United States hate to see, said the editorial, adding that those people have always tried to prevent China from achieving peaceful reunification by constantly creating troubles.

The editorial pointed out that Taiwan is an inseparable part of China and the Taiwan issue is an issue concerning China's sovereignty and no country is allowed to meddle with it.

It urged the US government to correct its mistake by returning to the positions consistent with the three Sino-US joint communiques.

Another editorial run by HONG KONG COMMERCIAL DAILY said that the decision to allow Li Teng-hui to visit the United States, no matter under what excuses, would mean the US betrayal of its commitment made at the establishment of its diplomatic ties with China.

## Reportage on Amending of Appeal Court Bill

### Encompasses PWC Views

HK2305132695 Hong Kong Television Broadcasts  
Limited in English 1200 GMT 23 May 95

[From the "News at 8:00" program]

[FBIS Transcribed Text] The Executive Council has agreed to amend the draft Court of Final Appeal bill to take into account some views from the Preliminary Working Committee [PWC]. In a statement, the government says it has studied suggestions made by the PWC. It hopes the amending of the draft bill would be viewed by the Chinese as a gesture of sincerity and cooperation, and hence be conducive to an early agreement. But the government also pointed out that it disagreed with the PWC's suggestion that the future SAR [Special Administrative Region] chief executive could chair the meeting of an independent commission to select the chief justice. It's also against the idea that the term of a judge of the Court of Final Appeal would be decided by the chief executive.

Meanwhile, a NEW CHINA NEWS AGENCY deputy director has urged the British Hong Kong Government not to make unilateral moves in connection with the bill.

### Most Proposals Accepted

HK2405070495 Hong Kong EASTERN EXPRESS  
in English 24 May 95 p 2

[By Wing Kay Po]

[FBIS Transcribed Text] In a move to gain an edge in the propaganda war between Hong Kong and Beijing over the court of final appeal (CFA), the Government announced yesterday it will adopt most of the Preliminary Working Committee's (PWC) recommendations on the issue.

The Government's step to accommodate China's wishes on the bill comes despite the reluctance of the Patten administration to officially recognise the Beijing-appointed PWC.

In a lengthy statement, the Government said it has "noted from media reports" the PWC political subgroup's eight-point proposal on setting up the CFA on July 1, 1997, and that the Executive Council has agreed that the CFA bill be amended "to take into account most of the PWC subgroup's principled (sic) suggestions".

A senior Government official said the PWC proposals that the Government is adopting are "not incompatible with our own views (and) are presumably close to the views of the Chinese side".

"We think it's a sensible offer to make. One assumes, of course, the Chinese will accept it," the official said.

He said since the PWC suggestions were published by the New China News Agency (Xinhua), the Government took it to have "some kind of, if not fully official, certainly semiofficial chop on it".

"Based on what appears to be at least a semi-official position, we felt that in the spirit of co-operation, we're holding out a hand to the Chinese," the official said.

"It doesn't necessarily contradict our policy on the formal contacts with the PWC, we have no formal discussion with them about it.

"The real purpose is to show sincerity, to make it obvious to the community at large that we're prepared to be as reasonable as possible, to be prepared to bend over backwards [as published], to go the extra mile in order to show how co-operative we're prepared to be while at the same time maintaining the integrity of our own position."

The Government statement said it saw no need for a "contingency plan" which the PWC proposal was designed to be, in case the court is not set up before 1997, since Britain and China had a 1991 agreement to set up the court before the handover.

The Government says it is willing to adopt most of the PWC proposals except those which "appear" to be inconsistent with the Joint Declaration and the Basic Law.

These include the PWC suggestions that the post-1997 chief executive could chair the meeting of the independent commission for the selection of the chief justice.

"In our view, this suggestion would breach the Joint Declaration and Basic Law, because the 'independent commission' can scarcely be considered independent if it is chaired by the chief executive," the official said.

The PWC group also suggested that the extension of the term of a CFA judge should be determined by the chief executive in accordance with the recommendation of the chief justice.

This would make the chief justice, rather than the independent commission, responsible for making recommendations on the extension of the terms of any other CFA judges, the statement said.

"As extension of the term of an office is an appointment matter, the PWC subgroup's suggestion will, in our view, restrict the commission's power under the Joint Declaration and the Basic Law," it said.

"It will also not deal with the situation in which the chief justice's term of office was being extended."

The Government said the definition of "acts of state" over which the CFA has no jurisdiction should be left to the court.

The Director of Administration, Richard Hoare, said apart from these proposals, the Government is prepared to amend the bill to accommodate PWC recommendations such as the retirement age of judges or that the list of non-permanent judges contain no more than 30.

#### **Economic Subgroup Meets Economists, Professionals**

*HK2305153595 Beijing ZHONGGUO XINWEN SHE in English 1433 GMT 23 May 95*

[FBIS Transcribed Text] Hong Kong, May 23 (CNS) — The economic sub group of the Preliminary Working Committee (PWC) met persons in charge of some economic and professional groups in Hong Kong at the headquarters of the Hong Kong branch of New China News Agency today.

The head of the Chinese side of the sub group Gao Shangquan said at a press conference after the meeting that the representatives from some economic and professional groups had expressed so much useful opinion. Mr. Gao noted that professional personnel played an important role in economic development in Hong Kong. He added that they should continue to make their contribution to economic prosperity and stability in the territory.

The Chinese official said the professional groups suggested that development of the territory integrate with that of the Mainland especially in city planning and development and coordination between the two sides in items concerning large infrastructural construction. Such practice, according to Mr. Gao, will enable Hong Kong to develop in a prosper way and to act as a driving force to push forward economic development in South China. The Mainland and Hong Kong will enjoy mutual benefit as a result.

The meeting also mentioned that Hong Kong should keep its small- and medium-sized enterprises to play a significant role in Hong Kong's overall economy after 1997 when sovereignty of the territory will revert to the Mainland. Mr. Gao said that the low tax rate should be maintained while coordination should be made in operation of the new airport in Hong Kong and several major airports in Guangdong Province.

The professional personnel who attended the meeting included President of Society of Hong Kong Real



Estate Agents Ltd. Michael N.M. Choi, President of Hong Kong Society of Accountants Nicholas P. Etches, Chairman of Hong Kong Stockbrokers Association Ltd. Chu Chung-tin and President of Hong Kong Association for the Advancement of Real Estate and Construction Technology Francis Lau.

**Group Says 'Hundreds' of Vietnamese Injured**

HK2405070295 Hong Kong EASTERN EXPRESS  
in English 24 May 95 p 1

[By Ben Calvert]

[FBIS Transcribed Text] Refugee Concern yesterday said "hundreds" of Vietnamese boat people were injured in last weekend's raid on the Whitehead detention centre.

A Government spokesman responded that Saturday's figure of 27 Vietnamese injured was the most current statistic.

The lobby group's claims stem from eyewitness accounts that the group gathered yesterday at High Island detention centre from people who were moved there in the forced transfer.

"The best estimate by the detainees, who have since been transferred, of the number of injured, whether as a result of the use of truncheons (bruises, cuts, possible broken bones) burns from the exploding (teargas) canisters, and various injuries from the rush to escape the targeted section, is in the hundreds," it states.

"Only a small number at this stage appear to have been reported."

The Government had failed to give accurate and updated figures last night on how many of the Vietnamese received treatment for injuries in either Whitehead, High Island or hospitals since the first day of the operation, Refugee Concern said.

The Government was roundly criticised for withholding pertinent details from a controversial raid at Whitehead in April last year, and an inquiry recommended better handling of the release of information to the public.

A Refugee Concern spokesman, Peter Barnes, said: "We reiterate our call for a judicial inquiry to determine what actually happened."

In another development, a Whitehead source contacted by Eastern Express threw doubt on an allegation that some of the fluid thrown on security officers was acid.

"I saw a report that some of the liquid poured on police might have been corrosive, and frankly, I was amazed," the source said. "The only way things are smuggled into the camp is through individual CSD [Correctional

Services Department] officers out to make a buck. And I very much doubt they would do that."

The source said it would be unlikely that officers would bring in a corrosive agent which could be used against their colleagues.

The source said CSD officers usually brought in goods such as extra food for inmates wanting to celebrate special occasions.

**Newspaper Fires 10 Percent of Editorial Staff**

HK2405070395 Hong Kong EASTERN EXPRESS  
in English 24 May 95 p 1

[By Fiona Holland]

[FBIS Transcribed Text] About 10 per cent of the editorial staff at the South China Morning Post were axed last night.

The editor-in-chief, David Armstrong, said the sacking of "about 25" staff was a result of merging the South China Morning Post and the Sunday Morning Post into a seven-day operation. The Sunday Morning Post's editor, Ann Quon, photo editor, Steve Stroud, and foreign editor, Richard Vines, were among the staff fired. Armstrong, who selected the staff to be sacked, said the cuts were necessary to cope with rising costs in newsprint.

"So it is a seven-day-week operation rather than a six-day-week operation with a separate one-day operation (on Sunday). There will still be a Sunday Morning Post and it will be produced by the same people who produce the daily."

Armstrong admitted that "morale would take a bit of a knock initially" but he said he was confident it would improve. Sunday Morning Post staff, who were poised to move to purpose-built offices in Tai Po, will join the daily staff at new quarters in Quarry Bay. Many Sunday Morning Post reporters were not in the office when Armstrong broke the news with letters explaining the "rationalisation" issued to both sacked and retained staff.

One staff member felt the effect of the cuts immediately.

"I was working on my screen and they logged me off and started taking the terminal away."

**Official Hopes Expatriate Police Will Stay**

HK2305153895 Beijing ZHONGGUO XINWEN SHE  
in English 1433 GMT 23 May 95

[FBIS Transcribed Text] Beijing, May 23 (CNS) — I sincerely hope that all foreign officers of the Hong

Kong police force will stay behind to help contributing to the prosperity and stability of Hong Kong after 1997, said Tian Qiyu, Deputy Public Security Minister of China upon welcoming the visiting delegation of the association of foreign police inspectors from Hong Kong.

During the meeting with representatives of the association, Tian expressed his views on retention of these police inspectors after 1997 a special issue that has aroused the greatest concern of these police inspectors and related issues such as remuneration, allowances, welfare, employment conditions, the relationship between public security bureaus on the mainland and the Hong Kong police force as well as joint efforts to combat crime.

On the retention issue, Tian pointed out that in accordance with the Basic Law, all civil servants, including expatriates who are non-permanent citizens of Hong Kong, who are in the employ of the Hong Kong government prior to the formation of the Special Administrative Region government, can be retained. The provision in the Basic Law, so is the stance of the Chinese government, is very clear so expatriate officers should not worry about their future after 1997.

#### **Britain Makes 'Concessions' on Budget Formation**

*HK2405070595 Hong Kong EASTERN EXPRESS  
in English 24 May 95 p 2*

[By Rain Ren]

[FBIS Transcribed Text] Britain has made concessions to allow China to be "more substantially" involved in the formation of Hong Kong's Budget for the next financial year, according to a senior Chinese official.

But last night, a Hong Kong Government spokesman insisted the Government position — that China be briefed on this year's Budget and not consulted — had not changed.

The Chinese official said the involvement by the Chinese experts would mean that there would be "discussions" between the two sides in the Joint Liaison Group now meeting for their second round of expert talks. Officials and experts on the Chinese side would be able to ask questions, express their views and even make proposals to the Hong Kong team, made up of Finance Branch officials and headed by the Secretary for Treasury, Kwong Ki-che.

According to the official, the Chinese side is entitled to know exactly the contents of the Budget and how each figure was arrived at.

For example, how much the Government would spend on infrastructure projects in the next financial year, and

how it comes up with a certain figure, should be made known to the Chinese side, he said.

China should also be briefed on the expenditure of various Government departments and how that figure was calculated, he said.

### **Macao**

#### **Further Coverage of Lu Ping's Visit**

##### **Arrives, Delivers Speech**

*HK2305130195 Beijing ZHONGGUO XINWEN SHE  
in English 0836 GMT 23 May 95*

[FBIS Transcribed Text] Macao, May 23 (CNS) — Director of Hong Kong and Macao Affairs Office under the State Council of China Lu Ping arrived in Macao via Zhuhai this morning for a four-day visit at the invitation of General Vasco Rocha Vieira, Governor of Macao.

Arriving at the border gate that separates Macao and the Mainland China, Lu was warmly greeted by Governor Vieira; Wang Qiren, Director of Xinhua News Agency's branch in Macao; Ma Man-kei, Vice-Chairman of the Chinese People's Political Consultative Conference; and Ho Hou-wah, a member of the Standing Committee of the National People's Congress of China.

On arrival, Lu delivered a written speech, saying he had previously visited Macao in the summer two years ago. During the past two years, Lu continued, the friendly cooperative relationship between China and Portugal had been developing continuously in accordance with the Sino-Portuguese Joint Declaration on the issue of Macao, and yielded very fruitful results which are conducive to political stability, economic development and a happy living environment in the territory.

During his stay here, Lu added, he was eagerly looking forward to meeting with Governor Vieira at which they would exchange their views with regard to promoting co-operation between China and Portugal. He believed their meeting will help to understand and communicate with the other side much better, hence will enhance effective execution of the Sino-Portuguese Joint Declaration.

Apart from meeting with Governor Vieira, Lu will visit the Macao International Airport construction site, the University of Macao, the police training school and the Leal Senado during his stay in Macao. He will also take part in an academic seminar called "The Opportunities and Challenges facing Macao in the Post-Transition Period", hold a meeting with local organizations and meet with the press.

### Lu Ping Meets Governor

OW2305161695 Beijing XINHUA in English  
1554 GMT 23 May 95

[FBIS Transcribed Text] Macao, May 23 (XINHUA) — The visiting Director of the Hong Kong and Macao Affairs Office under China's State Council, Lu Ping, met here this afternoon with Macao Governor General Vasco Rocha Vieira.

During their talks which lasted three hours and a half, they exchanged views on the Macao issue and expressed satisfaction with the progress made in handling matters related to Macao's transition.

Lu Ping noted that, as the year 1999 approaches, work should be speeded up in the following three aspects of the transitional affairs: the localization of public servants and law and the officialization of the Chinese language. The Macao Governor expressed his confidence in properly handling these issues.

The two sides also talked about cooperation between Macao and the Chinese inland, as well as with neighboring countries in economic field and other areas.

Lu Ping said the Chinese Government has always attached great importance to Macao's economic development. The scientific and technological resources of China's inland can support Macao in this regard, he said, stressing that the Chinese Government would support everything which is beneficial to Macao's social stability and economic development.

Lu Ping arrived in Macao this morning for a four-day visit at the invitation of the Macao Governor.

### More on Meeting

HK2405090295 Hong Kong HONGKONG  
STANDARD in English 24 May 95 p 4

[By Harald Bruning in Macao]

[FBIS Transcribed Text] Hong Kong and Macao Affairs Office Director Lu Ping and his host, Macao Governor Vasco Rocha Vieira, yesterday spent 3 and 1/2 hours discussing a wide range of issues on Macao's transition in a closed door meeting at the Praia Grande Palace.

The marathon meeting was also attended by seven representatives from both sides, including Macao government under-secretaries for justice, Antonio Macedo Almeida, and for administration, education and youth, Jorge Rangel.

Among the mainland representatives were Wang Qiren, who just last Saturday took over as the new director of the Macao Xinhua News Agency, and octogenarian

O Cheng Peng, special adviser to Xinhua and one of the enclave's most seasoned and respected Chinese community leaders.

Informed sources told The Hongkong Standard that the issue of "convergence of strategies" had featured high on General Vieira's agenda in his talks with Mr Lu.

"Strategic convergence" meant that the Portuguese administration of Macao and the Chinese authorities must co-ordinate Macao's future development, one source said.

"For Macao's future, the local administration must know if China wants the enclave to have a railway link with Guangdong province, if China wants the (four-square-kilometre) area between the islands of Taipa and Coloane to be reclaimed for a development project, and whether China wants a bridge between Macao and Hong Kong," the source cited as examples of the need for "strategic convergence" planning between the two sides.

Other topics on yesterday's agenda were Macao's localisation of its 16,000 head civil service and judiciary; the issue of translating Portuguese laws into Chinese; continued Portuguese nationality after 1999 for Portuguese-speaking Eurasians; and financial and economic questions, the sources said.

Mr Lu emerged from the meeting in a visibly buoyant mood, but he refused to answer any questions from the more than 50 journalists who had been waiting for him in the lobby of the Praia Grande Palace.

Mr Lu went straight to the office of the Macao Legislative Assembly chairman, Anabela Ritchie, located inside the Praia Grande Palace. After a 20 minute meeting with Mrs Ritchie, who is one of the enclave's most prominent Portuguese-speaking Eurasians ("Macanese"), Mr Lu was whisked away by security personnel in a Mercedes Benz limousine to the Mandarin Oriental Hotel in the Outer Harbour. A dinner party at the Macao governor's "Santa Sancha" mansion followed at 8pm.

The dinner was attended by a small group of top Macao government officials, Chinese community leaders and locally based Chinese government officials, among them the two leaders of the Sino-Portuguese Joint Liaison Group, Jorge Ritto and Guo Jiading.

Mr Lu arrived in Macao shortly after 10am yesterday, via the historic Portas do Cerco (Gate of Siege) from the adjacent Zhuhai Special Economic Zone.

Upon arrival, Mr Lu said he hoped to have the opportunity of "meeting with (my) Macao friends."



This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

### **SUBSCRIPTION INFORMATION**

#### **U.S. Government Customers**

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS  
P.O. Box 2604  
Washington, DC 20013-2604  
Telephone: (202) 338-6735  
FAX: (703) 733-6042

#### **Non-Government Customers**

Subscriptions are available from the National Technical Information Service:

NTIS  
5285 Port Royal Road  
Springfield, VA 22161  
Telephone: (703) 487-4630  
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.

**END OF**

**FICHE**

**DATE FILMED**

26 MAY 1995

